

DAILY REPORT

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I. 1 Nov 84

PRC INTERNATIONAL AFFAIRS
GENERAL

A 1

UN CALLS FOR SETTLEMENT OF KAMPUCHEA ISSUE

OW311125 Beijing XINHUA in English 0653 GMT 31 Oct 84

[Text] United Nations, October 30 (XINHUA) -- The U.N. General Assembly today adopted a resolution calling for a comprehensive political solution to the Kampuchean problem that will provide for the withdrawal of all foreign troops and ensure respect for the right of the Kampuchean people to self-determination free from outside interference. The vote on the resolution sponsored by the six ASEAN nations was 110 to 22, with 18 abstaining. Vietnam and the Soviet Union were among those voting against.

In the resolution, the General Assembly "reiterates its conviction that the withdrawal of all foreign forces from Kampuchea, the restoration and preservation of its independence, sovereignty and territorial integrity, the right of the Kampuchean people to determine their own destiny and the commitment by all states to non-interference and non-intervention in the internal affairs of Kampuchea are the principal components of any just and lasting resolution of the Kampuchean problem."

It requested the ad hoc committee of the International Conference on Kampuchea to continue its work, pending the reconvening of the conference.

The Assembly appealed to all states of Southeast Asia and others concerned to attend future sessions of the conference, and requested the U.N. secretary-general to exercise his good offices in order to contribute to a comprehensive political settlement. It also appealed to donor countries, United Nations agencies, other national and international humanitarian organizations to continue to provide emergency assistance for those Kampuchean who are still in need, especially along the Thai-Kampuchean border and in the holding centers in Thailand.

The General Assembly urged the countries of Southeast Asia, once a comprehensive political solution to the Kampuchean conflict is achieved, to exert renewed efforts to establish a zone of peace, freedom and neutrality in Southeast Asia. It expressed the hope that, following a comprehensive political solution, an intergovernmental committee will be established to consider a program of assistance to Kampuchea for the reconstruction of its economy and for the economic and social development of all states in the region.

PRC OFFICIAL AT UN ON EQUAL RIGHTS FOR WOMEN

OW310839 Beijing XINHUA in English 0709 GMT 31 Oct 84

[Text] United Nations, October 30 (XINHUA) -- Equality between women and men is a major issue of "tapping the wisdom and talents of mankind and emancipating the social productive forces to the full," a Chinese representative said at a U.N. meeting here today. Guo Yuanhui, an adviser to the Chinese delegation at the 39th session of the U.N. General Assembly, said at the Third Committee meeting that women should participate in the political, social and cultural life and activities both at national and international levels.

In respect of peace and development, the two major challenges facing the present-day world, women "are not just beneficiaries; more importantly, they are active promoters and participants," she said. The Chinese representative emphasized that the theme of the U.N. Decade for Women, "equality, development and peace," and its sub-theme, "employment, health and education," are a reflection of the realities of the present-day world and the major pressing concerns and just demands of women today.

She stressed that prejudice and discrimination against women still existed in the world though considerable achievements had been chalked up in the activities of the Decade for Women which had entered their ninth year now. The objectives set forth by the Decade for Women, she noted, had not yet been fully attained and further major efforts had to be made to achieve genuine and total equality between men and women.

UN MOURNS INDIAN PRIME MINISTER'S DEATH

OW010130 Beijing XINHUA in English 0117 GMT 1 Nov 84

[Text] United Nations, October 31 (XINHUA) -- The U.N. General Assembly, before its regular session this morning, held a special meeting to mourn the tragic death of Indian Prime Minister Indira Gandhi who was assassinated earlier today. Expressing his personal grief, U.N. Secretary-General Javier Perez de Cuellar said that the world lost "a wise and dedicated citizen, and India lost a great and courageous leader in the death of Prime Minister Indira Gandhi."

The secretary-general noted that Mrs. Gandhi had staunchly supported the United Nations, where she was a highly respected figure. Paul Lusaka, president of the current General Assembly session, stated that the violent death of Mrs. Gandhi was a great loss not only for the people of India, the Nonaligned Movement and the Commonwealth, but also for humanity as a whole.

Representatives of Africa, Asia, Eastern Europe, Latin America, Western Europe and other countries expressed their sympathy and condolences over Mrs. Gandhi's death, and denounced the despicable act of the assassins. The Assembly observed a minute silence in memory of the late Indian leader.

Before the meeting, the Assembly president sent a cable to Indian President Zail Singh, in which he expressed his "shock indignation and sadness" at Mrs. Gandhi's death, and his heartfelt condolences to the late prime minister's family.

DENG YINGCHAO MESSAGE TO SYMPOSIUM ON NAMIBIA

OW311015 Beijing XINHUA in English 0855 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Chinese leader Deng Yingchao today sent a message to a symposium in New York, reaffirming China's support for the Namibian people's struggle for national independence. The message, sent to the symposium commemorating "a century of heroic struggle of the Namibian people against colonial occupation," said the Chinese people have always opposed and condemned South African authorities for their illegal occupation of Namibia and their relentless oppression of the Namibian people.

Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, said in the message: "We resolutely support the Namibian people's struggle for national independence led by SWAPO, support the efforts made by the African front-line states and the U.N. Council for Namibia for an early independence of Namibia." The message said China favors a solution to the question of Namibian independence pursuant to Resolution 435 of the U.N. Security Council and believes that the Namibian people will certainly win the final victory.

REAGAN SIGNS SPACE COOPERATION RESOLUTION

OW312014 Beijing XINHUA in English 2006 GMT 31 Oct 84

[Text] Washington, October 31 (XINHUA) -- U.S. President Ronald Reagan has signed a congressional resolution calling for seeking U.S.-Soviet cooperation in a broad range of space activities, THE NEW YORK TIMES reported today. The resolution urged the President to seek to renew a space cooperation agreement to continue his efforts to start a joint space rescue program and to seek talks on cooperation in such areas as space medicine and even manned space exploration. Reagan said he signed the resolution although he had found parts of it "very speculative". But he added that he was "prepared to work with the Soviets on space programs that were mutually beneficial and productive." However, space scientists and technologists warned here that even as Reagan was agreeing to pursue U.S.-Soviet cooperation, the Soviet Union was poised to launch dramatic manned mission to Mars or the Moon that might virtually require a competitive response from the United States.

SINO-U.S. COMPUTER COMPANY SET UP IN HEBEI

OW311236 Beijing XINHUA in English 1203 GMT 31 Oct 84

[Text] Shijiazhuang, October 31 (XINHUA) -- A Sino-U.S. computer company was set up on Tuesday in Shijiazhuang, capital of Hebei Province, north China. The joint venture, Sino-American New Star Computer International Inc., was established by the No. 8 radio plant of Shijiazhuang and Sun Associates Inc. of the United States. It will import and sell computers and other electronic products, develop new technology, provide technical and repair services and assemble imported parts. The investment of 100,000 yuan is divided evenly between the two partners. The corporation plans to open subsidiary companies in electronics and software and a computer technology school in the near future, said Wu Wenke, chairman of the corporation's board of directors.

U.S. FIRMS TO ATTEND SHANGHAI LAW CONFERENCE

OW311727 Beijing XINHUA in English 1604 GMT 31 Oct 84

[Text] Shanghai, October 31 (XINHUA) -- A conference on international investment law is to be held here from November 5 to 8 and former U.S. State Secretary Cyrus R. Vance will be among the guests. This was announced by Xu Pengfei, chairman of the Shanghai Investment and Trust Corporation (SITC), at a press conference today. Sponsored by SITC, the Shanghai branch of the China Council for the Promotion of International Trade and the East China Institute of Political Science and Law, the conference is one of three conferences agreed upon and organized by Shanghai and U.S. interests. An earlier conference, on international technology transfer, was held here last February, and another one is scheduled to take place next year in the U.S.

In addition to discussing legal problems concerning investment, the coming conference will also explore possibilities for further strengthening economic and technological cooperation between Shanghai and the United States. Ninety-eight Americans representing 21 transnational corporations, eight consortia and three law firms are expected to attend the conference. Vance will be representing the law firm Simpson, Thacher and Bartlett. Under-Secretary-General of the United Nations Bi Jilong has been invited to attend as an advisor. Chinese State Councillor and Foreign Trade Minister Chen Muhua and Mayor of Shanghai Wang Daohua have also been invited. Some 600 Chinese from Shanghai, four provinces and 15 other cities will be present.

I. 1 Nov 84

PRC INTERNATIONAL AFFAIRS
SOVIET UNION

C 1

NO MAJOR PROGRESS IN BEIJING SINO-SOVIET TALKS

OW011103 Tokyo KYODO in English 1050 GMT 1 Nov 84

[Text] Beijing, Nov 1 KYODO -- Soviet Deputy Foreign Minister Leonid Ilichev is expected to return to Moscow soon without making any substantial progress in talks aimed at improving China-Soviet relations, Eastern European diplomatic sources said Thursday.

Ilichev held the fifth round of Sino-Soviet normalization talks with his Chinese counterpart Qian Quichen. The negotiations were held October 18-26.

Following the talks, he made a tour of part of China and returned here Wednesday. The sources said Ilichev gave dinner to Qian at the Soviet Embassy Wednesday night. They said the Beijing meeting did not produce any major progress leading to improvement of bilateral relations.

However, both sides have agreed in principle to hold the next round of negotiations in Moscow next spring.

SOVIET UNION EXPRESSES SYMPATHY ON GANDHI DEATH

OW311943 Beijing XINHUA in English 1932 GMT 31 Oct 84

[Text] Moscow, October 31 (XINHUA) — The Presidium of the Supreme Soviet and the Council of Ministers of the Soviet Union today sent a message to Indian President Zail Singh, expressing profound condolences on the death of Indian Prime Minister Indira Gandhi and condemning "the criminals and their patrons."

The message said that the late Indian Prime Minister "had made great personal contributions to the development and deepening of the traditional friendship and multi-sided cooperation between the Soviet Union and India."

Soviet leader Konstantin Ustinovich Chernenko today also sent a message of condolence to General Secretary of the Indian National Congress Rajiv Gandhi on the death of Indira Gandhi.

It was reported that Indian Defense Minister Shankarrao Bhaurao Chavan, who arrived in Moscow yesterday for a four-day visit, has left here for home immediately after learning the assassination of Indira Gandhi. He had not held talks with Soviet officials before his departure.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

LI PENG MEETS WITH DPRK FACTORY DELEGATION

OW311228 Beijing XINHUA in English 1200 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Chinese Vice-Premier Li Peng met a delegation from the "February 8" Vinylon Factory of the Democratic People's Republic of Korea led by Chu Gil-bon here this afternoon. Li Peng briefed the Korean guests on the reform of China's economic structure and the development of its petrochemical industry.

Fei Zhirong, deputy general manager of the China Petrochemical Corporation, and Jo Yong-mu, economic councillor of the Korean Embassy to China, were present. The delegation arrived here yesterday on a tour of study at the invitation of General Secretary Hu Yaobang who visited the "February 8" Vinylon Factory last May. The Korean guests will tour Shanghai and other places and visit petrochemical works there.

DPRK GOODWILL MISSION FETED IN BEIJING

OW010406 Beijing XINHUA Domestic Service in Chinese 1600 GMT 30 Oct 84

[Text] Beijing, 30 Oct (XINHUA) -- Kong Xiao, deputy director of the National Tourism Administration, held a banquet this evening to welcome the second Korean goodwill mission in 1984 led by Yi Hyo-chok, director of the Second Secretariat under the State Administrative Council of the DPRK. The mission arrived in Beijing this afternoon.

WANG ZHEN MEETS FORMER JAPANESE LABOR MINISTER

OW010830 Beijing XINHUA in English 0812 GMT 1 Nov 84

[Text] Beijing, November 1 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met and had a cordial conversation here today with Katsushi Fujii, Liberal Democratic member of the House of Representatives of Japan and former minister of labor, and his wife.

ALL-CHINA TU GROUP WELCOMES JAPANESE COUNTERPARTS

OW311653 Beijing XINHUA in English 1609 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Some 460 Japanese workers and trade unionists joined more than 10,000 Chinese colleagues at a meeting here tonight, calling for continued Sino-Japanese friendship and peace in the world. Speaking at the meeting welcoming a delegation from the Japan Confederation of Labor, Luo Gan, vice-president of the All-China Federation of Trade Unions, said that such a grand gathering by workers was unprecedented in the history of Sino-Japanese relations.

Both Luo and Kazukiyo Doi, head of the Japanese delegation and vice-chairman of the federation, said that workers of both countries were determined to promote Sino-Japanese friendship. They agreed that Sino-Japanese friendship not only served the interests of the two peoples but also would contribute to peace in Asia and the world. Luo also said that world tension was rooted in the rivalry of the two superpowers whose nuclear arms race had threatened world peace. However, he added, world peace would be safeguarded if workers and other people of the world strengthened their unity to frustrate the aggressive and expansionist policies of the two superpowers.

Doi also expressed his admiration for the progress China had made in the five years since his last visit to China. He said that the Japanese workers would do their best to promote economic, scientific and technological cooperation between the two countries.

Zhang Baifa, vice-mayor of Beijing, and Zhang Xiangshan, vice-president of the China-Japan Friendship Association, attended the meeting. The Japanese workers arrived here earlier today as guests of the All-China Federation of Trade Unions.

GUO FENG, DELEGATION RETURN FROM TRIP TO JAPAN

SK010119 Shenyang LIAONING RIBAO in Chinese 19 Oct 84 p 1

[Text] After concluding their goodwill visits to the prefectures and cities of Japan, including Toyama and Kanagawa Prefectures, the delegation of the Liaoning Provincial People's Congress returned to Shenyang City on 18 October.

Greeting the delegation at the railway station were leading comrades from the provincial organs and departments concerned, including Quan Shuren, Liu Wen, Lou Erkang, Gu Jingxin, Liu Zenghao, Liu Peng, Feng Yousong, Zuo Kun, and Yue Weichun. The delegation, headed by Zhang Zhengde, with Guo Feng as its adviser, returned to Beijing Municipality on 16 October.

JAPAN TO LIFT SANCTIONS AGAINST DPRK IN JAN

OW311734 Beijing XINHUA in English 1500 GMT 31 Oct 84

[Text] Tokyo, October 31 (XINHUA) — Japan will lift all trade and political sanctions against the Democratic People's Republic of Korea in January, 1985, Chief Cabinet Secretary Takao Fujinami said in a official statement today. The Japanese Government imposed the sanctions last November 7 after the Rangoon explosion which killed 21 people, including 4 South Korean Cabinet ministers. Fujinami said that there would be no change in the government's basic policy toward the Korean peninsula. But the government had taken note of the recent contacts and dialogue between the South and the North of Korea. He expressed the earnest hope that this trend would develop further so that there would be greater trust between the South and the North and the current tension eased.

CHEN MUHUA MEETS JAPANESE TEXTILE GROUP

OW301536 Beijing XINHUA in English 1443 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) — Chen Muhua, state councillor and minister of foreign economic relations and trade, met with a delegation from the Textile Industrial Association of Japan led by its President Hideo Nakase at Zhongnanhai here this afternoon. During the meeting they exchanged views on development of bilateral economic relations and trade and further cooperation in textile industry on the basis of mutual benefit. Wu Wenying, minister of textile industry, was present on the occasion.

RONG YIREN MEETS VISITING JAPANESE EDITOR

OW301236 Beijing XINHUA in English 0814 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress, met Koji Kiba, editor of the VANGUARD, a monthly in Japan on economic management, here today. Rong is also chairman of the board of directors of the China International Trust and Investment Corporation. They had a friendly conversation on furthering economic exchanges and cooperation between China and Japan. Zhang Pei, deputy editor-in-chief of China's ECONOMIC DAILY, was present.

I. 1 Nov 84

PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

E 1

REPORTAGE ON BURMESE PRESIDENT'S ACTIVITIES

San Yu Hosts Banquet

OW311545 Beijing XINHUA in English 1446 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Burmese President U San Yu and Mme. San Yu gave a return banquet in the Great Hall of the People here tonight. Chinese President Li Xiannian and his wife, Lin Jiamei, were present. Both San Yu and Li spoke at the banquet.

The Burmese president said that his talks with Chinese leaders, which were based on friendship and mutual goodwill, had served to enhance mutual understanding. He said: "We are also happy to note that there is a common desire among the leaders of our two countries to further consolidate the existing paukphaw (between relatives) friendship between our two nations. I firmly believe that this augurs well for our future relationship."

The Chinese president said that the two sides had reached agreement on a wide range of subjects in their discussions on international issues of common concern and the expansion of Sino-Burmese friendship and cooperation. He said he was satisfied with the results achieved through their meetings and talks. "In the days to come," he said, "we are willing to join our Burmese friends in energetically seeking new ways of cooperation between the two sides, so as to bring about more fruitful results in our cooperation in political, economic, cultural, scientific, technological and other fields."

Also present were Vice-Chairman of the Chinese National People's Congress Standing Committee Huang Hua, Vice-Premier Yao Yilin, State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua, State Councillor and Foreign Minister Wu Xueqian, and leaders of other relevant departments.

Lays Wreath at Tiananmen Square

OW312213 Beijing XINHUA Domestic Service in Chinese 0826 GMT 30 Oct 84

[Text] Beijing, 30 Oct (XINHUA) -- President and Mrs U San Yu of the Socialist Republic of the Union of Burma, and their entourage, went to Tiananmen Square this morning in the company of Yang Bo, chairman of the Chinese Government reception committee and minister of light industry, and his wife, where San Yu laid a wreath at the Monument to the People's Heroes. The ribbon attached to the wreath bore the following words: Salute the people's heroes in eternal glory.

Meets Old Chinese Friends

OW010410 Beijing XINHUA Domestic Service in Chinese 1500 GMT 30 Oct 84

[Text] Beijing, 30 Oct (XINHUA) -- U San Yu, president of the Socialist Republic of the Union of Burma, met Wang Guangmei, wife of Liu Shaoqi, and Hao Zhiping, wife of Luo Ruiqing, at the Diaoyutai State Guesthouse this afternoon.

It was particularly pleasant for the old friends to meet again. U San Yu had cordial and delightful talks with Wang Guangmei and Hao Zhiping at the meeting.

Seen Off on Tour

OW010148 Beijing XINHUA in English 0136 GMT 1 Nov 84

[Text] Beijing, November 1 (XINHUA) -- Burmese President U San Yu, Madame San Yu and their party left here by special plane this morning for a tour of Shanghai, Guangzhou and Shenzhen in the company of Yang Bo, chairman of the Chinese Government reception committee and minister of light industry.

Chinese President Li Xiannian and his wife Lin Jiamei went to see the Burmese guests off at the state guesthouse. In a brief conversation, Li said: "There isn't any divergence of views between our two countries. Internationally, we support and coordinate each very well." U San Yu agreed by saying: "Our views are indeed very close."

When President Li commented on Burma's good economic situation, U San Yu said: "We are very glad to learn about China's achievements in my talks with Chairman Deng Xiaoping yesterday. We hope that China will reap richer fruits of labor in future."

RENMIN RIBAO NEWSLETTER LAUDS SINO-BURMESE TIES

HK311204 Beijing RENMIN RIBAO in Chinese 29 Oct 84 p 6

["Newsletter From Burma" by RENMIN RIBAO reporters group visiting Burma: "Flowers on the Tree of Sino-Burmese Friendship Are in Full Bloom"]

[Text] During the days we were visiting Burma, the topics which people talked about most frequently were the 11 visits to China by President U Ne Win, the 9 visits to Burma by the late Premier Zhou Enlai, the successive visits to Burma by Chairman Deng Xiaoping and Premier Zhao Ziyang, and the "fraternal friendship" between the peoples of the two countries. Nurtured with great care for the last 30-odd years, the Sino-Burmese tree of friendship has grown with deep roots in the soil and splendid foliage on the branches, and with beautiful flowers in full bloom.

Time and again the leaders of China and Burma have emphasized that the two countries are both developing countries and it is necessary for them to support each other and cooperate on an equal footing to promote the common prosperity of the two countries. The construction of a number of items of economic cooperation between the two countries is the fruit of this spirit. Representative examples are the Boshengtang rice mill, which is located in the suburbs of Rangoon, which has an annual production capacity of 1 million tons, the Mitiela textile mill in Mandalay Province, which has a production capacity that can satisfy 10 percent of the needs on the domestic market, the Ruidong textile mill in Pegu Province with its products actively marketed in many parts of the world, and the Maobin rubber-ball factory which produces annually 300,000 various types of balls used in sports. In addition, the number one national gymnasium of Burma with a capacity of 10,000 spectators, which is being built with vigor and speed, has attracted the attention and interest of millions of people.

All these cooperative items have embodied the collective wisdom of the technical personnel of the two countries as well as the workers of Burma. Apart from the major equipment provided by China, great quantities of auxiliary equipment and materials in the operation are supplied from local sources.

Chief Engineer Lu who was in charge of the construction of the gymnasium told us: The area of the upper part of the gymnasium is 87 square meters; because of the lack of sufficient lifting equipment and prefabricated blocks, the technical personnel have conducted careful and detailed calculations and have arrived at the decision that pouring concrete will be carried out in separate operations high above the ground with mobile platforms supported by wooden trusses. This method of operation is rarely seen even in China. In the major cooperative items that we visited, the number of Chinese specialists there was at most several dozen. These large-scale engineering projects would not have been completed on schedule without the close cooperation of the Burmese friends.

The Burmese friends also had a high opinion of the Chinese specialists. A Burmese interpreter at the Rangoon Gymnasium told us: When China was celebrating its 35th anniversary of the founding of the country, the construction of the gymnasium was at a critical stage; and many Chinese specialists gave up their holidays and persisted in performing their duties on the work site. When we were leaving the weaving workshop of the Ruidong textile mill, a young woman engineer said to us: "The Chinese specialists always come to the workshop a little past 6 in the morning, and they were the last to leave when working hours were over. Even on Sundays they seldom had a full day's rest...." She added with feeling: "China has very bright prospects."

Working together day and night, the Chinese and the Burmese technical personnel became very close friends. Many projects had been completed, and the Chinese specialists in charge of these projects had already returned to their homeland. Still, many Burmese friends missed their Chinese friends. The director of the Ruidong textile mill opened his treasured photo album, and, turning over the pages, told of the scenes in which the technical personnel of the two countries worked side by side. This reporters group often heard these words: "Please tell our dear Chinese friends that we miss them."

With regard to the cooperative items already completed, the Burmese workers there had already mastered all the operational procedures, and they could independently conduct maintenance work on the equipment. For more than 10 years since the completion of the factory in late sixties, the Mitiela textile mill always overfulfilled its production quota, and the factory was awarded the title of model factory for 6 consecutive years by the First Ministry of Industry. About half of the construction work for the grand Rangoon Gymnasium had been completed. The deputy director of the National Bureau of Physical Culture of Burma told us excitedly: This gymnasium, the greatest of its kind in Burma when completed, not only can accommodate competitions for basketball, volleyball, badminton, gymnastics, Burmese martial arts, ratten ball, and boxing, but also can provide fields for holding a large-scale rally and literary and art performances. This deputy director, who had been living on the site since the start of the gymnasium project, held our hands emotionally and spoke loudly in Chinese: "Long live the friendship!"

The Sino-Burmese technical cooperation has laid a solid foundation in the past years, and with the economic development of the two countries, the prospects for this kind of cooperation will certainly further broaden.

PHILIPPINE'S CARDINAL SIN MEETS HUANG HUA

OW311636 Beijing XINHUA in English 1437 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, said here today that China hoped to strengthen its contacts with neighboring countries, including the Philippines. "Through these contacts, we hope we can further friendship between the people of China and these countries," he added.

Huang made these remarks at a meeting here this afternoon with the Philippine Cardinal Jaime L. Sin and his party. The cardinal told Huang that they had come to see China's progress. "We have come here also to express our admiration and to learn. We feel glad for China's blueprint for its economic development," he added. The cardinal and his party have visited scenic spots in the city and will leave here tomorrow for Xiamen and Shanghai to visit relatives and friends before returning home on November 6.

TIAN JIYUN MEETS THAI POLICE DELEGATION

OW311640 Beijing XINHUA in English 1433 GMT 30 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met and had a friendly talk here this afternoon with the Thai police delegation led by Police General Narong Mahanon, director-general of police. Welcoming the delegation, Tian Jiyun said that China and Thailand can share experience and explore technical cooperation through exchange of visits. He wished the delegation success in its visit to China.

Narong Mahanon mentioned the exchange of visits between security institutions of the two countries. He said he believes that the delegation will benefit a great deal from his visit. Tian Jiyun spoke highly of the traditional friendship between the Chinese and Thai peoples. There is no conflict of interests between the two countries politically while they have good relations of cooperation economically, Tian said. The Chinese people and government will continue their efforts to expand these relations, he added.

Narong Mahanon said that the smooth development of China's reform of its economic structure and the steady progress of its national economy are of great significance to Southeast Asia.

Present at the meeting were Wang Wentong, vice-minister of public security, and Thai Ambassador to China Orachun Tanaphong.

JI PENGFEI MEETS HONG KONG PRINTERS GROUP

OW311224 Beijing XINHUA in English 1157 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Ji Pengfei, state councillor and director of the Hong Kong and Macao Affairs Office under the State Council, met a visiting group from the Hong Kong Printers Association headed by honorary President Alex S.C. Wu here today.

In his discussions with the Hong Kong printers, Ji reaffirmed the Chinese Government's determination to implement the Sino-British Joint Declaration on Hong Kong. "We'll honor what we say and, once we start doing it, we'll do it well," he said.

Alex S.C. Wu expressed satisfaction with the declaration. He said that the decision of the recent plenum of the Chinese Communist Party Central Committee to reform China's economic structure was the best guarantee for Hong Kong's future.

Liu Deyou, assistant minister of culture, was present. The Hong Kong group is here attending an international printing technology exhibition.

REPORTAGE ON GANDHI ASSASSINATION, CONDOLENCES

Li Xiannian, Zhao Ziyang Message

OW010646 Beijing XINHUA in English 0639 GMT 1 Nov 84

[Text] Beijing, November 1 (XINHUA) -- President of the People's Republic of China Li Xiannian and Chinese Premier Zhao Ziyang yesterday jointly sent a condolence message to Indian President Zail Singh, condoling the death of Indian Prime Minister Indira Gandhi.

The message said: "Shocked to learn the sad news that Prime Minister Indira Gandhi was assassinated. Mrs Gandhi is an outstanding statesman of India. She has worked unremittingly for developing the national economy of India and made an important contribution to the improvement and development of the Sino-Indian relations. We wish to express, on behalf of the Chinese Government and people, our deep condolences to the Indian Government and people and our sincere sympathies to the members of the bereaved family."

Yao Yilin To Attend Funeral

OW010916 Beijing XINHUA in English 0911 GMT 1 Nov 84

[Text] Beijing, November 1 (XINHUA) -- Special Envoy of the Government of the People's Republic of China and Vice-Premier of the State Council Yao Yilin will go tomorrow to New Delhi by special plane to attend the funeral of Madam Indira Gandhi, according to the Foreign Ministry here this afternoon. The main members of his entourage include Deputy Foreign Minister Yao Guang.

Announcement of Death

OW311527 Beijing XINHUA in English 1505 GMT 31 Oct 84

[Text] New Delhi, October 31 (XINHUA) -- Prime Minister Indira Gandhi was shot at least eight times Wednesday by members of her own security guard in front of her home and died during emergency surgery. Sikh radicals were said to have claimed responsibility for the attack. First word of the prime minister's death came from the PRESS TRUST OF INDIA (PTI) news agency which said Mrs Gandhi died in the operating theater after a team of doctors fought for her life for more than two hours.

The PRESS TRUST said the assailants were Sikhs -- one wearing the traditional beard and one clean-shaven. The assailants gunned down the prime minister with a burst of bullets from an automatic carbine and a revolver at 9:40 a.m. as she walked from her home in southwest New Delhi to her office in an adjacent building, the PRESS TRUST quoted an eyewitness as saying.

She was reported hit by eight bullets in the chest, stomach and thigh. But a staff member at the All-India Institute of Medical Sciences where Mrs. Gandhi underwent emergency surgery said she had four bullet wounds in the lower stomach and three in the chest.

PTI said the two assailants surrendered after the attack. It had reported earlier that the two men were killed at the scene of the shooting. The Cabinet is believed to have gone into emergency session to decide on the formation of a caretaker administration.

Politicians and religious leaders in India made speeches condemning the assassination. Leaders of some South Asian countries expressed their shock and grievances after learning the death of Mrs. Gandhi.

Mrs. Gandhi, prime minister from 1966 to 1977 and again from 1980, had often said she was unafraid of assassination. In 1967 she was hit by a rock which bloodied her face but she simply pulled up her sari to hide the blood and continued on the podium. She was born in November 1917 in Anand Bahavan (house of happiness) and was the only child of India's first Prime Minister Jawaharlal Nehru.

She was elected National Congress Party president in 1959, and after her father's death in 1964, became minister of information and broadcasting in Prime Minister Bahadur Shastri's Cabinet. When Shastri died 18 months later, she became India's third prime minister. She lost a re-election bid in 1977, but regained the prime ministership in 1980.

She married her student companion, Feroze Gandhi, in 1942 and gave birth to two sons, Rajiv and Sanjay. Sanjay died in a stunt plane crash in June 1980 when he was 33. Her elder son, Rajiv, entered politics two years ago and appeared to be being groomed to become the next prime minister.

Reaction in India

OW311902 Beijing XINHUA in English 1851 GMT 31 Oct 84

[Text] New Delhi, October 31 (XINHUA) — The assassination and death of Indian Prime Minister, Indira Gandhi today shocked the whole country of India immediately. The capital was plunged into grief. Shops in New and Old Delhi downed their shutters, schools disrupted the classes and institutions stopped working when the news spread.

Thousands of people gathered in front of the All India Medical Institute where the prime minister's body has been kept. Political leaders of the opposition parties unanimously condemned the assassination.

Mrs. Gandhi was chosen for prime ministership in 1966, two years after the death of her father Jawaharlal Nehru. She had been in power except for a brief spell from 1977. She returned to the office of prime minister with a landslide victory in January 1980. Her current tenure will expire by the end of this year. Mrs. Gandhi, who was described as an experienced, brave, clever and far-sighted political leader spent her last two days of her life in Western Orissa and met the tribals there. In her last speech there, she assailed the United States and want India to become strong and self-reliant.

Indira Gandhi was the chairperson of the Nonalignment Movement. She called for disarmament, defending world peace and the settlement of world's conflicts through negotiations.

Over the past few years, India's economy has been taking a turn for the better. However, the latest development of the intensified communal clashes, religious confrontations, partisan and terrorism were troublesome problems for the late prime minister, especially the events in Assam and Punjab.

The late prime minister had survived several attempts on her life in the past years. Before she was assassinated, some reports and rumours had said that some Sikh extremists would try to assassinate her and her family members.

Singh Returns From YAR

OW311605 Beijing XINHUA in English 1550 GMT 31 Oct 84

[Text] Sana, October 31 (XINHUA) -- Indian President Giani Zail Singh this morning rushed home from here, capital of the Yemen Arab Republic after learning of the death of Prime Minister Indira Gandhi. Singh had been here for three days for talks with President 'Ali 'Abdallah Salih on developing the relations of cooperation between the two countries.

Rajiv Gandhi Sworn In

OW311622 Beijing XINHUA in English 1600 GMT 31 Oct 84

[Text] New Delhi, October 31 (XINHUA) -- Rajiv Gandhi, the elder son of the assassinated Indian Prime Minister Indira Gandhi, was sworn in tonight by President Zail Singh to succeed his mother and head a five-member Cabinet, it is reported here tonight. The other four members of the Cabinet were also sworn in tonight.

Rajiv, now 40, a former pilot, entered into politics after his younger brother, Sanjay, was killed in a stunt plane crash in June, 1980. In February last year, he became secretary-general of the National Congress Party to help his mother run party affairs. Rajiv, also a member of Parliament, was said to have been chosen earlier as the leader of the party at an emergency meeting of national legislators.

Meanwhile, a 12-day state mourning has been proclaimed for the late prime minister. All central government offices will remain closed tomorrow. During the period of mourning, national flag will be flown at half mast.

The funeral is not expected until Friday. World leaders are expected to come and attend the funeral. Army and para-military forces have been placed on alert across the country following the assassination. The alert, according to official sources, is a normal precaution taken in a national crisis.

Appeals for Calm

OW010252 Beijing XINHUA in English 0244 GMT 1 Nov 84

[Text] New Delhi, October 31 (XINHUA) -- India's new Prime Minister Rajiv Gandhi tonight appealed for calm and "maximum restraint" at a "moment of profound grief." Shortly after he was sworn in as India's prime minister after his mother Indira Gandhi was assassinated today, Rajiv Gandhi told the nation over radio and television: "We should not let our emotions get the better of us, because passion would cloud judgement." It was reported here that violence broke out in some parts of the country after Indira Gandhi's death.

Rajiv Gandhi called for the people's support and cooperation in the discharge of the "great responsibility" placed upon him. He also pledged to uphold the unity integrity and honor of the country.

The new prime minister asked the people to shun violence and maintain balance. "It is of prime importance at this moment that every step we take is in the correct direction," he added.

Reagan's Condolences

OW311854 Beijing XINHUA in English 1845 GMT 31 Oct 84

[Text] Washington, October 31 (XINHUA) — U.S. President Ronald Reagan today expressed his "shock, revulsion and grief over the brutal assassination" earlier today of Indian Prime Minister Indira Gandhi. He said in a statement that the people of the United States "join me in extending our deepest sympathy and condolences to the people of India and the prime minister's family as they mourn Mrs. Gandhi's death."

President Reagan praised Indira Gandhi as "a source of global leadership" as chairperson of the Nonaligned Movement and paid tribute to "her determined efforts to promote peace, security and economic development in South Asia and throughout the world."

Ziaul Haq Expresses Sympathy

OW311905 Beijing XINHUA in English 1847 GMT 31 Oct 84

[Text] Islamabad, October 31 (XINHUA) — Pakistan President Ziaul Haq today strongly condemned the assassination of Indian Prime Minister Indira Gandhi and expressed profound sympathy with the people and Government of India. In a message of condolence read out by Foreign Minister Yaqub Ali Khan at a press conference at the president house here this evening, the president described the incident as a "tragic and grievous event" which should be strongly condemned.

He said that Indira Gandhi's death out of violence is a loss of not only a leader of India but "an eminent statesman of world stature." The president paid tribute to Mrs. Gandhi for her crucial role in the evolution of Pakistan-India relations and for her valuable and decisive contribution to the process of normalization between the two countries. The peoples of India and Pakistan will continue to carry on the work for peace and stability in the region, he said.

According to Yaqub Ali Khan, a special Federal Cabinet meeting was convened this afternoon, at which it was decided that Pakistan will observe a 3-day mourning on the death of Indira Gandhi and send a delegation to attend her funeral in New Delhi.

Singh Urges Unity

OW312011 Beijing XINHUA in English 2002 GMT 31 Oct 84

[Text] New Delhi, October 31 (XINHUA) -- Indian President Zail Singh today called on the Indian people to "demonstrate to the world that India's stability cannot be jeopardised by a handful of sub-human assassins." In a nation-wide broadcast in the wake of the assassination of Indian Prime Minister Indira Gandhi, the president said the unity and integrity of the nation is facing a challenge.

He said that the "dastardly act of assassins has put the nation to test at an extremely critical juncture of our history."

Vice-President R. Venkataraman also made a broadcast speech, calling upon the nation to pay homage to the late Prime Minister Mrs Gandhi by combating secessionism and violence and promoting communal harmony. Expressing his deep condolences on the death of Mrs. Gandhi, he said, the Nonaligned Movement has lost a champion who labored hard to achieve peace and progress.

The funeral of the late Prime Minister Mrs. Gandhi will be held on the afternoon of November 3.

PRC, UAE ESTABLISH DIPLOMATIC RELATIONS

OW010944 Beijing XINHUA in English 0931 GMT 1 Nov 84

[Text] Beijing, November 1 (XINHUA) -- China and the United Arab Emirates today established diplomatic relations with each other, a joint communique said. It said, "Out of a common desire to strengthen and develop the friendly relations and cooperation between the two countries, the Government of the People's Republic of China and the Government of the United Arab Emirates have decided to establish diplomatic relations between the two countries at the ambassadorial level as from 1 November 1984."

MILITARY DELEGATION ARRIVES IN ALGERIA

OW311253 Beijing XINHUA in English 1040 GMT 31 Oct 84

[Text] Algiers, October 30 (XINHUA) -- A Chinese military delegation led by Vice Defense Minister Xiao Ke arrived here this afternoon to attend the celebration of the 30th anniversary of the Algerian Armed Revolution. The delegation was welcomed at the airport by Colonel Tahar Wadaoui, director of the Logistic Department of the Algerian Armed Forces, and other high military officers. The Algerian people started an armed revolution against the French colonial rule 30 years ago and won their independence in 1962 after eight years of bloody fighting.

FRIENDSHIP DELEGATION LEAVES FOR NORTH AFRICA

OW310832 Beijing XINHUA in English 0728 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- A delegation from the Chinese People's Association for Friendship With Foreign Countries led by its Vice-President Lin Lin left here today on visits to Libya, Algeria, the Sudan and Tunisia.

PRC DONATES FOOD FOR ETHIOPIA DROUGHT RELIEF

OW311732 Beijing XINHUA in English 1455 GMT 31 Oct 84

[Text] Addis Ababa, October 31 (XINHUA) -- China has donated 1,000 tons of maize to aid Ethiopia's drought-relief work. The food has been distributed in the northern part of the country.

Ethiopia is suffering from a severe drought with an estimated seven million people threatened by starvation. A national committee has been set up under the chairmanship of Mengistu Haile Mariam, general secretary of the Workers Party of Ethiopia, to oversee the relief work.

WORKERS TO PROVIDE TECHNICAL SERVICES FOR IRAQ

HK310920 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 28 Oct 84

[Text] According to a report carried in CHONGQING RIBAO, more than 200 textile workers will soon leave for Iraq to provide technical services there. Since the 3d Plenary Session of the 11th CPC Central Committee, Chongqing City has conscientiously implemented the policy of opening to the outside world and has sent personnel to some foreign countries to provide economic and technical cooperation.

This group of textile workers is to be sent to the (Ziwaniya) cotton mill in Iraq to provide technical service in accordance with a contract for technical service signed between China and Iraq. Among them are engineers specializing in textile equipment, production management personnel, and workers skillful in spinning, weaving, and operating and maintaining machines. All these comrades are competent personnel in production, and some of them are outstanding workers in factories under the administration of the provincial and city authorities. Quite a number of them have been awarded titles of advanced workers in the factories, and they have first-rate level in production and technology.

JI PENGFEI MEETS, FETES MALIAN OFFICIALS

OW261542 Beijing XINHUA in English 1451 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Ji Pengfei member of the Central Advisory Commission of the Chinese Communist Party and state councillor, met in the Great Hall of the People this evening Sekou Oumar Doumbia, Mady Sangare and Amadou Daouda Diallo, members of the Central Executive Committee of the Democratic Union of Malian People. He hosted a banquet in their honor.

The guests arrived here yesterday on vacation for a visit tour.

RONG YIREN MEETS KENYAN TRADE UNION DELEGATION

OW291446 Beijing XINHUA in English 1438 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Rong Yiren, vice-chairman of the National People's Congress Standing Committee, met J. Mulei, general secretary, and P. Mwangi, president, of the Central Organization of Trade Unions of Kenya.

LIAO HANSHENG MEETS MOZAMBIQUE DELEGATION

OW301014 Beijing XINHUA in English 0801 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Liao Hansheng, vice-chairman of the Standing Committee of the National People's Congress, met and had a cordial conversation with a delegation from Mozambique Workers' Organization led by General Secretary Augusto Macamo here this morning.

ZAMBIAN PRESIDENT MEETS OUTGOING PRC ENVOY

OW301840 Beijing XINHUA in English 1831 GMT 30 Oct 84

[Text] Lusaka, October 30 (XINHUA) -- Zambian President Kenneth Kaunda received outgoing Chinese Ambassador Zhang Junhua at the state house here this morning.

Kaunda told the Chinese ambassador that Sino-Zambian friendship was founded by him and the late Chairman Mao Zedong and the late Premier Zhou Enlai. This friendship had continued to develop after the two Chinese leaders passed away. "The successful visit to Zambia by Chinese Premier Zhao Ziyang early last year has become another new landmark in history of friendly relations between our two countries," he stressed.

Kaunda thanked China for rendering great assistance to Zambia. Zambia Prime Minister N. Mundia received the Chinese ambassador earlier.

RENMIN RIBAO ON CONTADURA GROUP RESOLUTION

HK311514 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 7

["Roundup" by Lan Caiji: "May the Document on Peace in Central America Be Signed as Early as Possible"]

[Text] The UN General Assembly recently had a further debate on the situation in Central America. It adopted a resolution put forth by the Contadora Group urging the governments of the five Central American countries to step up negotiations with the Contadora Group and sign the "document on peace and cooperation in Central America" as early as possible. It also asked the countries concerned to respect the objectives and principles laid down in the document. This appeal of the international community undoubtedly helps in leading the Central American situation toward peace and stability.

The Contadora Group started drafting the document on Central American peace at the beginning of this year. In the course of drafting, the four member-states of this group, namely Panama, Colombia, Mexico, and Venezuela, had repeated discussions and negotiations with the diplomatic representatives of the five Central American countries. In early June this year, the first draft of the document was put forward to the governments of the Central American countries for comment. The draft was further revised. On 7 September, the meeting of foreign ministers of the four member-states of the Contadora Group and the five Central American countries formally submitted the revised draft of the peace document to the governments of the Central American countries asking them to make known their positions on the document before 15 October so that a peace treaty could be concluded within a short period of time.

At the beginning, the Central American countries actively responded to the document. The Nicaraguan Government expressed total acceptance of the document and demanded that the document be signed immediately. El Salvador, Honduras, Costa Rica, and Guatemala also expressed their willingness to sign the document, with reservations on some problems. However, the situation changed when the peace document was about to be signed: Some of the Central American countries raised objections to the document. Honduras and El Salvador in early October demanded that special clauses "protecting" the peace document and "supervisory measures" governing implementation of the agreement be added. This demand was chiefly made by El Salvador. It proposed that "effective international supervision" should be exercised over the questions concerning disarmament and withdrawal of foreign military advisers. It also demanded a special "guarantee" on ending the so-called support given by Nicaragua to the El Salvadoran guerrillas be added to the peace document. Costa Rica said that some points in the peace document needed "careful revision" and demanded that another meeting of foreign ministers of the nine countries be called to discuss these points. Nicaragua held that since the peace document was the result of common consultations, it was only permissible to carry out "polishing and trimming" in some aspects and there was no need to call another meeting to make "essential or fundamental changes." It urged various countries concerned to sign the peace document as early as possible. The new differences in opinion on the peace document among the Central American countries virtually delayed signing of the document.

The obstacles to the signing of the document on Central American peace were caused by external interference, although there were complicated internal causes. People have noticed that the United States had reservations since the revised draft of the peace document was announced. A U.S. Government senior official said that the document "generally had made positive progress," but also said that the document was "defective as far as the essential questions are concerned" and must be revised before it could be acceptable to the United States.

At the same time, U.S. Secretary of State George Shultz met the foreign ministers of the four Central American countries and visited some Central American countries and member states of the Contadora Group, engaging in frequent diplomatic activities. Some diplomatic officials of the Western countries in Latin America held that the U.S. Government had reservations regarding the document on Central American peace because it felt that the document contained very specific provisions on stopping U.S. intervention in Central America but uncertain articles on the democratic reform in Nicaragua. These diplomatic officials also pointed out that the United States had applied pressure on the Central American countries with which it had close ties, requesting them to revise the text of the peace documents.

In the face of the new conditions, the Contadora Group reiterated its determination to work continuously to overcome the crisis in Central America. The communique issued on 17 October by the foreign ministers of the four member states of the group pointed out that the document on Central American peace was a product of a protracted course of arduous and complicated talks and consultations, and each party should make some concessions in order to attain peace, which is the loftiest goal. At the same time, the communique stated that the group was also ready to accept the proposals of the Central American countries if these proposals were agreeable to the spirit of the Contadora Group. Judging by the speeches of many representatives to the UN General Assembly, the representatives unanimously call for stopping external intervention in Central American affairs and supporting the efforts of the Contadora Group to solve the problem of peace in Central America.

LIAO HANSHENG MEETS BRAZILIAN DELEGATION

OW291610 Beijing XINHUA in English 1521 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Liao Hansheng, vice-chairman of the National People's Congress Standing Committee, met a delegation from the Workers' Party of Brazil led by First Vice-President Jacob Bitar here this evening.

The delegation is here on a friendship visit at the invitation of the International Liaison Department of the Chinese Communist Party Central Committee.

TIAN JIYUN MEETS CANADIAN PROVINCIAL MINISTER

OW231801 Beijing XINHUA in English 1459 GMT 23 Oct 84

[Text] Beijing, October 23 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met with Haward Pawley, prime minister of Manitoba Province of Canada, and his party in the Great Hall of the People here this afternoon.

Present were Cai Zemin, vice-president of the Chinese People's Institute of Foreign Affairs, and Richard V. Gorham, Canadian ambassador to China.

The Canadian visitors came here as guests of the Chinese People's Institute of Foreign Affairs to exchange views with Chinese departments concerned on economic cooperation between China and Manitoba Province.

I. 1 Nov 84

CHINA
PRC NATIONAL AFFAIRS

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NI ZHIFU CPC SECRETARY IN TIANJIN; CHEN REMOVED

SK010743 Tianjin City Service in Mandarin 0030 GMT 1 Nov 84

[Excerpt] The Tianjin Municipal CPC Committee held a meeting of leading party cadres from various districts, counties, and bureaus from 27 to 31 October. The main task of the meeting was to study the decision of the CPC Central Committee on reform of the economic structure adopted at the 3d Plenary Session of the 12th CPC Central Committee, further emancipate the mind, and break away from the long-established fixed concept on socialism, which does not conform to reality. Arrangements for the work for the coming winter and spring were also made at the meeting.

At the beginning of the meeting, Comrade Chen Weida read out the CPC Central Committee's decision on Ni Zhifu, member of the Political Bureau of the CPC Central Committee, serving concurrently as secretary of the Tianjin Municipal CPC Committee and on Chen Weida who will be removed from his post as first secretary of the municipal CPC Committee and transferred to serve as deputy secretary of the Political and Legal Commission of the CPC Central Committee.

Participants of the meeting warmly supported this decision and pledged to speed up the pace of the entire economic system reform focusing on cities and to create a new situation in all fields of work under the direction of Comrade Ni Zhifu and on the basis of the good foundation established when the comrade worked here.

Ni Zhifu, member of the Political Bureau of the CPC Central Committee and secretary of the municipal CPC Committee, attended and addressed the meeting. Also attending were Zhang Zaiwang, Wu Zhen, Tan Shaowen, and other leading comrades of the municipal CPC Committee; Xing Yanzi, member of the CPC Central Committee residing in Tianjin; Li Huifen, alternate member of the CPC Central Committee; and Yan Dakai, member of the Central Advisory Commission. Comrade Li Ruihuan who had gone abroad was absent. Comrade Zhang Zaiwang relayed the guidelines of the 3d Plenary Session of the 12th CPC Central Committee and, on behalf of the municipal CPC Committee, made arrangements for the work. Comrade Chen Weida spoke at the end of the meeting to give parting advice. He spoke on his opinions on Tianjin Municipality's long- and medium-term development.

The participating comrades devoted a certain amount of time during the meeting to study and discuss conscientiously the documents of the 3d Plenary Session of the 12th CPC Central Committee with concentrated efforts. They unanimously supported the CPC Central Committee's decision on the reform of the economic system and its decision on convocation of a national conference of party delegates. They held: This plenary session was an important meeting in our party's history, and a meeting with a far-reaching influence on the future of our country. On the principle of integrating the fundamental tenets of Marxism with the reality of China, the CPC Central Committee's decision expounds the necessity and urgency of the entire economic system reform focusing on cities, sets forth the direction, nature, tasks, and various fundamental principles and policies of the reform, and unfolds a blueprint of building socialism with Chinese characteristics. It is a programmatic document guiding our country's economic system reform.

The participating comrades said with confidence that, with the guidance of the decision and the concerted efforts of the people throughout the municipality, an overall success will be achieved in the entire economic system reform focusing on cities, and a new and still better situation will soon emerge in urban and rural areas of our municipality.

YOUNG ENTERPRISE LEADERS MEET IN BEIJING

Wan Li, Hu Qili Meet Group

OW311222 Beijing XINHUA in English 1151 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- More dynamic young people, skilled in modern management methods should be promoted to leading posts in industry, Vice-Premier Wan Li said here on Tuesday.

"This should be a first step in the current urban reform," he told a reception for 14 outstanding young leading members of enterprises from all over the country.

He criticized officials who saw only weak points in the young, and who stood in the way of the more competent. "It is poor leadership rather than equipment that hinders the development of an enterprise," said Wan.

The vice-premier was introduced to the 14 young directors on Saturday. He called them "pioneers in urban reform". They have been invited to Beijing by the Chinese Communist Youth League Central Committee to pass on to other young people their experiences in invigorating businesses.

Wan said he found time to see them again because he believed the quadrupling of the national industrial and agricultural output by the end of this century and the building of China into a powerful socialist country depended on them. He said, "The older generation should stand behind you, and offer you ideas and advice." Wan urged young people to make every efforts to master modern management methods, and become professionally more competent.

After listening to the young directors' reports, the vice-premier asked about the rate of technical workers, the quality of products, wage system and the democratic rights of workers. He told the young directors to put the interests of the people first in reform. "The purpose of reform is to benefit people", he said.

Hu Qili, secretary of the Secretariat of the Chinese Communist Party Central Committee, said that the young should recognize the historic responsibility they shouldered, and live up to the expectation of the old generation. He said young directors should be able to adapt themselves to all kinds of circumstances, keep a firm political stand and make great efforts to aid reform and modernization.

Hao Jianxiu, alternate member of the Secretariat of the party Central Committee, was also present at the reception.

Wan Speaks on Economic Reform

OW311852 Beijing XINHUA in English 1838 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Vice-Premier Wan Li said that meticulous and well-thought guidance was needed to make the current reform of China's economic structure a success.

He said this at a meeting with young people who invited to Beijing by the Central Committee of the Communist Youth League of China to share their experience in reforming enterprise management. "The aim of the reform is to make our country prosperous and strong, bring real benefit to the people and accelerate China's socialist construction, both in the material and ethical spheres," he said. "The reform is also aimed at promoting socialist democracy," he added.

"In doing all things, the Chinese Communist Party proceeds from the interests of the country and the people," Wan Li said. He said that the guideline of the reform was to raise the living standards of the people and that no reform could succeed if it hurt the interests of the people. He said he believed that the reform was winning support from the people of all nationalities in China and would be a success.

Wan Li quoted Deng Xiaoping as saying that the most important part of the party Central Committee decision on reforming the economic structure was the section stressing the need to respect knowledge and the people.

All countries in the world were competing in intellectual development, Wan Li said. Those countries which were more successful in this development were able to become more prosperous, he said.

Young people who were knowledgeable and good at enterprise management should be promoted, Wan Li said. "In carrying out the reform, a most important point is to increase the vitality of the enterprises and, in order to achieve this, the initiative of the workers must be brought into play as masters of their enterprises," he added.

To make the reform a success, Wan Li said, it was necessary to raise the nation's scientific and technological levels. He encouraged young people to study diligently and hoped that more young people would become experts in various fields of work.

Hu Qili, member, and Hao Jianxiu, alternate member, of the Secretariat of the Central Committee of the Chinese Communist Party, also attended the meeting. They encouraged the young people to be pace-setters in the current reform.

Hu Jintao Discusses Reform

OW271127 Beijing XINHUA Domestic Service in Chinese 1706 GMT 26 Oct 84

[By reporter Zhang Sutang]

[Excerpts] Beijing, 26 Oct (XINHUA) -- A number of young activists who have made outstanding achievements in urban reform work took part in a forum to exchange experiences in reform work today. Responsible comrades of the CYL Central Committee attended the meeting.

Hu Jintao, member of the Secretariat of the CYL Central Committee, spoke at the discussion meeting. He said: A large number of young people who have the courage and ability to carry out reform work have ascended the historical stage. This shows that the young people want to carry out reform and reform also needs the young people. The young people have developed and tempered themselves in the reform work and are rapidly growing in strength. From their own experiences, the young people are convinced that only reform can bring about hope, future, and a beautiful new life.

The 14 young activists from 8 provinces and municipalities were invited by the CYL Central Committee to Beijing to attend the young reform activists' study and activities in order to exchange their experiences.

Management Reform Discussed

OW280941 Beijing XINHUA in English 0842 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Fourteen outstanding young plant directors and managers from various parts of China gathered here today to discuss the reform of enterprise management with specialists and authorities of the economic circles in Beijing.

The 14, most of them in their twenties, were pushed to the leading posts by the current trend of encouraging young people to play greater roles in the country's economic reform. They have made remarkable successes in invigorating their enterprises and achieving good economic results. They are now here to sum up their experiences at the invitation of the Chinese Communist Youth League Central Committee.

In his speech, Vice-Minister of the State Economic Commission Zhang Yanning pointed out that the vitality of the enterprises comes from the initiative, intelligence and creativeness of both manual and mental workers. He said that enterprise management associations have been set up in over seventy cities across the country, including those especially for young managers in Shanghai, Guangzhou and Tianjin. He expressed the hope that these associations would strengthen their ties with local plants and companies, and provide better service to the modernization of management.

The young people consulted with the experts the wage system, the system of engaging qualified personnel, and the application of the fruits of scientific research. Many professors and scholars encouraged the young people to read some theories of economics, and learn from advanced foreign experiences, so as to widen their views. They held that it was important to acquire the view of socialist commodity economy and conform to the law of value in the current reform.

Huang Da, vice-president of the Chinese People's University, thanked the young people for bringing their experiences, which, he said, would be the best materials they need in theoretical research. He invited his young friend to give lectures in the university.

Economists Meet Young Activists

OW290627 Beijing XINHUA Domestic Service in Chinese 1425 GMT 28 Oct 84

[Text] Beijing, 28 Oct (XINHUA) -- Beijing's experts and scholars in economics had a discussion meeting on the morning of 28 October at the CPPCC Auditorium with 14 young reform activists from 8 provinces and cities who had excelled in making urban reforms. They discussed various problems arising in economic restructuring.

Yuan Baohua, Zhang Yanning, Tong Dalin, Huang Da, Luo Yuanzheng, and some 100 other personages in the economic field, and Hu Jintao and Li Yuanchai, responsible persons of the CYL Central Committee, attended the meeting.

The economists of the older generation had cordial chats with the young, bold reformers at the discussion meeting. They discussed in depth such topics as economic and personnel management of enterprises, application of self-decision powers, the distribution system, structuring, application of new technologies, popularization of research results, and training of competent hands as well as many other problems encountered in the course of reform.

They unanimously held that people are the key in enterprise management, and that greatly improving the quality of the workers and staff members is instrumental to economic restructuring. They pointed out: Reform can be realized only if and when knowledge and intellectuals are respected, as stated in the resolution of the 3d Plenary Session of the 12th CPC Central Committee.

The young reform activists at the meeting expressed the hope that economists of the older generation would constantly give them assistance, while the latter wished the former to be bold in reform and practice and constantly sum up experience in the course of practice.

This discussion meeting was cosponsored by the CYL Central Committee and the Chinese Association of Enterprise Management.

LI PENG URGES BETTER ENERGY CONSERVATION

OW312040 Beijing XINHUA in English 1321 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- Chinese enterprises saved an amount of energy equivalent to 15 million tons of standard coal in the first nine months of 1984, Vice-Premier Li Peng said today.

This amount is equivalent to one third of the increase in China's coal output this year. He predicted that the target of saving 18 million tons of standard coal this year would be topped. "Production of coal, petroleum and power rose between seven and nine percent in the first three quarters of this year, all surpassing state targets," he said. However, Li stressed, energy production still falls behind the demand of the country's fast-growing industry and agriculture.

Energy conservation is therefore still a long-term task. He said: "We should depend on technological progress to promote energy conservation from now on." He called for energy-efficient technology including computers to replace outdated technology and equipment. He said that full attention should also be paid to energy conservation in people's homes, and more fuel-efficient cooking stoves and solar-energy stoves should be introduced in the rural areas.

Li's TV Talk

OW010310 Beijing XINHUA Domestic Service in Chinese 1130 GMT 31 Oct 84

[Text] Beijing, 31 Oct (XINHUA) -- On the eve of the sixth national energy conservation month, Li Peng, vice premier of the State Council, delivered a TV talk today on the question of energy conservation. He said; In developing activities during this year's energy conservation month and doing the work of energy conservation from now on, we must make use of economic means to whip up the enthusiasm of the energy users to conserve energy, pay attention to technical innovations for energy conservation, and vigorously introduce new techniques, new technology, and new products to save energy.

Since 1979 China has designated November as energy conservation month.

Vice Premier Li Peng said: Fairly good results have been achieved in saving energy since last year's energy conservation month. Many enterprises have achieved the goal of increasing production without using more energy or the goal of increasing production while consuming less energy. According to statistics, the whole country saved an amount of energy equivalent to 15 million tons of standard coal in the first 9 months of 1984. This amount is equivalent to one-third of the increase in China's coal output this year. Those areas where energy conservation work has been carried out fairly well included Shanghai, Liaoning, Zhejiang, Jiangsu, Anhui, Hunan, and other provinces and municipalities, as well as various metallurgical, power, light industrial, oil refinery, small fertilizer-producing departments, and other trades. Energy conservation work has been shifted to the development of energy-saving technology from strengthening management and combating waste. A group of innovation projects have been completed and put to full use.

Dwelling on the development of energy since the beginning of this year, Li Peng said: This year's situation in energy development is really fine. However, we must also realize that energy production still fails to keep pace with the developing situation.

It is still an extremely weak link in China's national economy. According to statistics compiled by the departments concerned, the shortage of coal and electric power will continue in varying degrees next year in various provinces and cities. Therefore, energy conservation is still a long-term task for the entire economic front or even for the whole society. Now, some industries have begun to use computers to control the process of manufacture, and have scored distinct achievements in energy conservation. This is the correct orientation to promote energy conservation from now on.

Vice Premier Li Peng said in conclusion: The annual energy conservation month will soon begin. The governments and departments at all levels and all trades must strengthen their leadership over energy conservation work, determine their own focal points in saving energy in close connection with the actual conditions in one's own area and unit and do a good job in saving energy. We must not only pay attention to energy conservation in industrial and agricultural production, but we must also attach importance to energy conservation in people's homes so as to alleviate the tense situation caused by energy shortage.

TIAN JIYUN ON FURTHER FOREIGN TRADE REFORM

OW311643 Beijing XINHUA in English 1553 GMT 31 Oct 84

[Text] Beijing, October 31 (XINHUA) -- The great potential of the Chinese market has an appeal for foreign businessmen and China will open part of this market in exchange for the introduction of foreign technology, said Tian Jiyun, Chinese vice-premier, at a national conference on foreign economic relations and trade here today.

By this he meant that more products turned out by Chinese-foreign joint ventures, cooperative enterprises or enterprises set up with exclusive foreign investment in China would be allowed to be sold in the country. Formerly most of the products turned out by these enterprises were sold outside China.

Tian Jiyuan said that firm steps would be taken to reform the foreign trade administrative structure. "An all-round, systematic reform of this sector is imperative," he stressed.

Tian said the recent decision of the party Central Committee plenum to reform China's economic structure once again reaffirmed the open policy as China's basic policy for a long time to come and also as a strategic measure for speeding up China's socialist modernization. Therefore, he said, foreign trade had become all the more important in China's national economy.

The vice-premier stressed the importance of separating government administration from enterprise management, saying it would have an important bearing not only on foreign trade but on the reform of China's economic structure as a whole. This step was necessary for invigorating the enterprises and the whole national economy, he said. This measure would give the enterprises more decision-making power and reduce administrative interference in enterprise management.

The duties and responsibilities of the Ministry of Foreign Economic Relations and Trade should be separated from those of the foreign trade companies, he explained. He said the same principle applied to local import and export organizations. Only in this way can the vitality of the enterprises be boosted, he stressed.

After government administration is separated from enterprise management, the government organs would deal with major matters including macro-economic control and coordination, as to ensure a healthy, well-coordinated development of the national economy, he said.

APPLYING LAW OF VALUE IN REGULATING ECONOMY VIEWED

HK310852 Beijing RENMIN RIBAO in Chinese 29 Oct 84 p 5

[Article by Dong Fureng: "Consciously Apply the Law of Value in Regulating the Socialist Economy"]

[Text] The 3d Plenary Session of the 12th CPC Central Committee prominently stressed the importance of the conscious application of the law of value. This is of great significance.

The socialist public ownership system of the production means determines that the purpose of social production is to satisfy the increasing needs of society and the people. In a given time, the actual resources of a community are always limited. The resources, including human, financial, and material resources, can all find expression in a certain amount of work hours. In order to better satisfy various social needs with these limited resources, we must highly effectively utilize them. This means: first it is necessary to economize on social work hours in order to produce as many products as possible by using the limited resources; and second, it is necessary to suit the distribution of social work hours in the production of various goods to the proportion of social needs for these goods. In a socialist economy the above two points are effected through the continuous regulation of the use of the resources and the regulation of social needs. This regulation is a joint effect of the objective influence of various economic laws and the subjective efforts of the people. Among the economic laws, the law of value plays a special and important role. The socialist economy is a planned commodity economy, and the law of value continues to play a role in regulating the socialist economy. In the socialist production relations, the law of value eventually helps social production achieve its purpose of satisfying the needs of society and the people.

In a nutshell, the law of value shows that the value of a commodity is determined by the socially necessary work hours in the production of this commodity. On the basis of this principle, the law of value helps regulate the socialist economy mainly in the following two aspects: First, it prompts commodity producers to improve their technology, enhance productivity, and economize on resources in order to reduce the work hours for the production of the commodity to a level lower than the socially necessary work hours. Only thus can they gain an income and increase it. Second, the law of value guides commodity producers to distribute social work hours in proportion to social needs. If the output of a commodity exceeds social demand, the goods will be oversupplied and the price will be lower than their value; on the contrary, when the goods are in short supply, the price will be higher than the value. Thus, the law of value gives commodity producers the tip to increase or reduce the production of certain goods through the price changes so as to regulate the distribution of social work hours in the production of various goods in proportion to various social needs.

The socialist commodity economy, which is based on public ownership of production means and thus forms the common interests of entire society, enables the people to apply the law of value to conduct planned regulation of the socialist economy. This regulation can be conducted both before and after a production process and can be both direct and indirect. A market is a main place where the law of value functions. In the commodity economy based on private ownership, the law of value regulates social production mainly through exchange activities in the market so that is a kind of indirect regulation after the production process. In a socialist economy based on public ownership, the law of value may continue to indirectly regulate social production after the production process through markets.

The subsequent regulation may correct the error of the prior regulation, and the indirect regulation may complement the direct regulation. In the socialist economy we not only should but also can combine prior and direct regulation of the law of value over the socialist economy with subsequent and indirect regulation of this law through the formulation of economic plans and the planned guidance to and utilization of markets. Functioning together with other economic laws, the law of value will thus be able to guide socialist production to better fulfill its purpose. At the same time we can overcome or greatly reduce the negative effect of the economic fluctuation caused by market forces. We should try our best to bring out subjective efforts into line with the objective process in the regulation of the socialist economy, and should deepen our understanding of the law of value and other economic laws and of their functions in the socialist economy. On the other hand, it is necessary for us to establish an economic structure -- especially a planning system -- that enables us to correctly apply the law of value. This is an important objective prescribed by the decision on economic reform passed by the 3d Plenary Session of the 12th CPC Central Committee. If this objective is successfully achieved, the operation of our socialist economy will show both unity and flexibility, which ensures more effective utilization of social resources and better satisfaction of social needs.

CONDITIONS RIPE FOR OVERALL ECONOMIC REFORM

HK310954 Beijing RENMIN RIBAO in Chinese 31 Oct 84 p 1

[Editorial: "Conditions Are Ripe"]

[Text] Having read the "Decision of the CPC Central Committee on Reform of the Economic Structure," we can see the blueprint drawn up by the CPC Central Committee for an all-round reform of the economic structure, the future prospects for a more prosperous China, and the chances for an improved way of life for the Chinese people.

It has taken a long time for the discussion on carrying out reform in a comprehensive way in the economic structure. The investigations have been fully prepared, and the time spent on drafting plans and conducting experiments in units was also very long. Now, the conditions in various areas are ripe, and the general plan has been announced. It is the time now for further speeding up the pace of reform.

First, China's political situation of stability and unity is becoming more and more consolidated. Such problems left over from history once consumed much energy of the leadership; but generally speaking, these problems have been solved after years of effort exerted by the leadership. Presently, it has been acknowledged by the whole party, and the party as a whole has reached a common understanding that we should engage wholeheartedly in the four modernizations, and should take the realization of socialist modernization as the present general goal and general task of our party, and as a major precondition when handling various problems. In particular, the direction of reform has been clearly defined since we have rectified and are rectifying, through the full-scale party rectification held last winter and this spring, the guiding ideology for various fronts on carrying out the modernizations.

Second, China's economy has extricated itself from the predicament of having important proportions seriously dislocated, and has taken the road of healthy development. Also, we have scored major successes in readjusting the national economy. The national economy's constant growth and the fulfillment of major assigned targets of the Sixth 5-Year Plan ahead of schedule have provided a sound foundation for carrying out a full-scale reform in the economic structure. The great rural reform achievement, as well as the new problems and new demands that ensued, have opened doors for urban reform and full-scale reform.

We have achieved very good results in many experiments and investigations on urban economic structural reform. These results further reveal problems in the present economic system. Because the practice of carrying out reform in some parts can hardly meet the requirements of economic development, a full-scale reform seems inevitable.

Third, the practice of full-scale reform has received comprehensive and profound support from the masses, as well as a firm ideological basis. As early as before the "Cultural Revolution," some people revealed the weak points of China's present economic system. Under the historical conditions prevailing at that time, however, people did not clearly understand, or had difficulties in understanding, these weak points. After the 3d Plenary Session of the 11th CPC Central Committee established once again the ideological line of seeking truth from facts, people began studying problems from the viewpoint that "practice is the only criterion for judging truth." They have gradually gained a deeper understanding that to handle matters by applying that kind of ossified pattern will not work. Instead, the implementation of opening to the outside world has widened the people's field of vision. The challenge of the new technological revolution makes more and more people understand that China will not thrive without reform. Presently, the 800 million peasants enthusiastically support reform, and urge carrying it out in an in-depth manner. The broad masses of workers, intellectuals and cadres also strongly urge us to carry out reform. Reform is no longer an assumption of a few theorists, nor is it just a great plan by party and state leaders. Instead, it is a strong demand and an immediate undertaking of hundreds of millions of people. This is the most important condition for carrying out a full-scale reform.

Fourth, party and government leading organs at various levels, particularly the CPC Central Committee and the State Council, have accumulated rich experience in leading reforms. We have the successful experience of urban reform, a certain amount of experience of comprehensive reform in several cities. This is quite valuable in leading an overall reform. The decision of the 3d Plenary Session of the 12th CPC Central Committee on Reform of the Economic Structure is a scientific conclusion of the experiences in urban and rural reforms over the past few years, as well as the crystallization of the collective wisdom of the party and people. The decision will certainly guide the country's overall reform to victory.

In short, whether politically, economically, ideologically, or in terms of experience, the conditions for carrying out overall reform of the economic structure are ripe. As some knowledgeable domestic and foreign persons have said, China is in the "golden era" of reform.

Of course, we should also know that we are referring to ripe conditions from an overall angle. This does not mean that all regions and cities possess the same mature conditions for reforms; still less does it mean that obstacles and setbacks will not appear in the course of reform. Many unexpected problems will certainly emerge in the course of reform. But we will definitely realize our targets as long as we conscientiously study the decision of the 3d Plenary Session of the 12th CPC Central Committee, profoundly understand and accurately master the spirit of the document, further emancipate the mind, strictly observe unified arrangements of the CPC Central Committee and the State Council, study reforms in the course of carrying out reforms, and sum up experiences in the practice of reform.

"Huang He breaks Kunlun Shan apart from the West, howling thousands of miles to pound Longmen." At present, we are faced with such an exciting and critical moment in our economic construction. Through reforms and by opening the door of "Longmen," China will certainly open up a new and wider field for its modernization.

HONGQI ARTICLE ON CHINA'S ECONOMIC REFORM

HK280855 Beijing HONGQI in Chinese No 19, 1 Oct 84 pp 11-15

[Article by Zhang Jingfu: "Uphold Reforms To Make the People Rich and Rejuvenate the Nation"]

[Text] The PRC is 35 years old now. In the long process of history, 35 years is a very short period. However, under the leadership of the CPC and the people's government, we have carried out the socialist revolution, completed the socialist transformation of the ownership of the means of production, established the socialist political and economic systems, and made great achievements in socialist construction. Great changes have taken place in our country compared to the initial post-liberation period. In terms of value, China's industrial fixed assets increased 42.5 times over in 1983 compared to 1949. In the coal, electricity, iron and steel, and textile industries, productive capacity increased from a range of several to several dozen times. Moreover, some new industrial departments such as the automobile, tractor, airplane, electronics, petrochemical, and national defense industrial departments have been established along with an independent and relatively complete industrial system. In agriculture and irrigation, about 170,000 km of new dikes and 80,000 reservoirs have been built which are capable of resisting ordinary floods, and irrigated areas have increased from 240 million to 670 million mu. In the mechanization of agriculture -- which has been developed from scratch -- the average capacity of agricultural machinery has reached 245 million hp. In communications and transportation, the mileage of railways in operation has increased from 21,800 km in the initial post-liberation period to 51,600 km, and that of highways increased from 80,700 km to 915,000 km. In the whole country, all counties except two can be reached by motor vehicles. A even greater development has been achieved in water transportation, civil aviation, and pipeline transportation. In the fields of science and technology, the number of natural scientists and technicians in the units owned by the whole people reached 6.85 million in 1983, an increase of 15.1 times over 1952, when there were only 425,000 scientists and technicians in these units. In output of the main industrial and agricultural products, compared with the highest records of the preliberation days, steel output has increased by 43.4 times, that of raw coal by 11.5 times, crude oil by 331 times, electricity generated by 58.6 times, machine tools by 22.4 times, grain by 2.6 times, and cotton by 5.5 times. The output of some products is among the highest in the world. By relying on our own strength and developing social production we have increased our social wealth and basically satisfied the needs of the 1 billion people in food and clothing. In short, since the founding of New China we have changed the semicolonial and semifeudal old China into a socialist system.

When we review our history, we find that we have followed an uneven path in our advance. Due to the mistakes in the guiding ideology, we faced two serious setbacks in our economic construction. Comrade Chen Yun pointed out: "The main mistake in our economic construction since the founding of the state is the mistake of 'leftism.' The general situation before 1957 was comparatively good, but after 1958, the 'leftist' influence became serious. This was the mistake in the main part of our work." The 10 years of turmoil during the "Great Cultural Revolution," in particular, caused great damage to our economic development. After the 3d Plenary Session of the 11th CPC Central Committee, which caused a great turn in our party's history since the founding of the state and shifted our work focus to the construction of socialist modernization, we were faced with a severe economic situation.

At that time there was a serious disproportion in the national economy and a large number of urgent problems regarding the people's livelihood, which had been piled up for a long time, needed to be solved. Under such circumstances, whether China was capable of overcoming difficulties and rejuvenating itself became a focal question both at home and abroad. Now the whole world can see that through our efforts in just a few years, we have not only rapidly rehabilitated the national economy, which was seriously damaged, but have also blazed a new trail of healthy development. Comparing 1983 with 1978, the gross social output value increased by 48.1 percent; the total industrial and agricultural output value increased by 46.1 percent; the national income increased by 41.1 percent; and among the main industrial and agricultural output, steel increased by 25.9 percent, raw coal increased by 15.7 percent, generated electricity increased by 36.9 percent, grain increased by 27.1 percent, cotton increased by 114 percent, and oil-bearing crops increased by 102.02 percent. The people's standard of living has been greatly improved. Based on comparable prices, from 1979 to 1983, the average consumption of city residents increased at an annual rate of 7.2 percent. The per capita income of the peasant households increased by 14.7 percent, and that of workers' households, which form part of the cost of living, increased by 7.4 percent. The situation has developed more quickly than we expected. The current economic situation is undoubtedly one of the best since the founding of the state.

The main reason we have made great achievements on various fronts since the 3d Plenary Session of the 11th CPC Central Committee is because we have corrected the guiding ideology which had been thrown into disorder, emancipated the mind, realistically criticized the "leftist" mistake under the guidance of the Marxist principle of "practice being the only criterion for truth," and summed up our past experiences and lessons. On this basis we have worked out the correct line, policies, and principles; put forward a clear aim for the strategic development of our economy; and formulated a series of correct policies such as opening to the outside world and enlivening the domestic economy. In the economic field, we have achieved success in implementing the eight-point policy of readjusting, restructuring, consolidating, and improving.

However, although great achievements have been made over the past 35 years, generally speaking, our country is still rather backward. Especially compared with some developed countries, the level of our productive forces and the people's standard of living are still very low. For this reason, in his political report at the 12th CPC National Congress, Comrade Hu Yaobang called for quadrupling the total industrial and agricultural output value by the end of this century and enabling the people to become better off in their material and cultural lives. This is a desire eagerly wanted by people throughout the country. The most fundamental task for socialism is to develop the productive forces, and the basic economic law of socialism is to satisfy to the greatest extent the increasing material and cultural needs of the entire society by constantly increasing and perfecting socialist production on the basis of highly developed technology. During his visit to Europe, Comrade Zhao Ziyang expounded the party's struggle objectives in simple language: It is necessary to "make the people rich and rejuvenate the nation." Socialism does not mean poverty and backwardness. When a country is poor and backward, it is impossible for it to eliminate the inequality that exists in its social life due to the insufficient development of the productive forces, and even less can it realize the lofty goal of communism. At present, our country is in a period of development from a lower level toward a comparatively well-off level. The people must become rich and the nation should be rejuvenated. This is not just a desire eagerly wanted by the people throughout the country, but also a glorious task history has entrusted to us. In order to fulfill this task it is necessary to further speed up economic system reform, especially the reform of economic systems in the cities, on the basis of our achievements made in the past few years.

Generally speaking, reform is entirely necessary in order to resolve the contradictions between production relations and the productive forces and between the superstructure and the economic base, which are not suited to each other. The productive forces are the most active and revolutionary factors in the mode of production, but production relations are relatively more stable. When the productive forces are developed to a certain extent, they will become unsuited to existing production relations. The economic management system reflects production relations. It is also a reflection of the superstructure in the economic field. Under the socialist system, the reform of the irrational economic management system means the self-perfection of the socialist system. Because of the productive forces and the economic base are continuously changing and developing, the economic management system cannot remain unchanged. Instead, it should often be readjusted. Engels once predicted: "In my opinion, the so-called 'socialist society' is not something immutable, but, like all other social systems should be regarded as something changeable and reformable." ("Collected Works of Marx and Engels," Vol 37, p 443) The reform of the economic management system we are now carrying out conforms to the objective law that production relations should be suited to the situation of the productive forces and reflects the advantages of the socialist system.

Important achievements have already been made in the reform in the countryside, which is now developing in depth. Economic system reform in the cities, which focuses on invigorating the enterprises, is also developing steadily. China's economic system will be a socialist economic system which is able to fully invigorate the enterprises. At present, a pressing task for us is to speed up economic system reform in the cities. This is because: 1) As the economic system reform in the countryside is being carried out successfully and agricultural production is developing toward specialization, commercialization, and modernization, it is an urgent demand that the circulation channels between the cities and the countryside be dredged in order to open up more markets for the increase in agricultural products and to satisfy the increasing needs of the peasants for industrial products and science and technology. Under these circumstances, if the pace of economic system reform in the cities is not quickened and the leadership role of the cities in the national economy is not better brought into play, the rural economy's continuous development will certainly be obstructed. 2) Although a series of experiments and investigations have been done over the past few years in the economic system reform in the cities and some achievements have been made, some major shortcomings of the economic system in the cities, which seriously obstruct the development of the productive forces, have not been eliminated. There are still great losses and waste in both production and circulation, and the potential of the cities' economies are far from being tapped. Only when resolute measures are taken to speed up the economic system reform in the cities can the good trend of economic development in the cities be maintained and conditions be created for better and faster development of the entire national economy, and only thus can we promote our socialist economic construction to develop by leaps and bounds. 3) In our economic development, we are now faced with a new challenge from the new technical revolution that has emerged in various parts of the world. This also provides us with new favorable circumstances. We must prepare to meet this challenge. Thus, our economic system must become more capable of promoting the progress of technology, absorbing the modern techniques in the contemporary world and the achievements applicable in our country, and creating new productive forces. Therefore, it is a pressing task for us to speed up economic system reform in the cities.

In his opening speech at the 12th CPC National Congress, Comrade Deng Xiaoping pointed out: "To integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own, and build socialism with Chinese characteristics -- this is the basic conclusion we have reached in summing up long, historical experience."

The basic conclusion is also the general guiding ideology for our reform. The reason Marxism is correct and powerful is because it points out the orientation for our advance. As for what concrete path a country should follow, this should be decided in accordance with the actual situation in that specific country. What kind of economic management system should we adopt in China? This must be decided in accordance with China's historical, contemporary, political, and economic situations. Marxism does not bind people hand and foot. As long as our structural reform is conducive to building socialism with Chinese characteristics, to making our country prosperous and strong, and to making our people rich and happy, it conforms with Marxism. Building socialism with Chinese characteristics is the prerequisite for making the country prosperous and strong and making the people rich and happy. The so-called socialist path with Chinese characteristics can also be integrated into the socialist mode suitable for China's national situation. The mode of economic management is an extremely important question that greatly affects the speed of our economic development and has an important bearing on making the nation prosperous and strong and making the people rich and happy. We did not achieve a satisfactory economic development in the past. This is not because our socialist system is not superior, but because our mode of management is not good enough, consequently, the superiority of the socialist system could not be brought into full play. Socialism with Chinese characteristics should be such that the enterprises are full of vitality. In the reform of the economic management system, all the disadvantages that are unsuitable for our national situation will be overcome so that the inherent superiority of the socialist system can be brought into full play at all times.

Our reform is aimed at mobilizing, to the greatest extent possible, the initiative of both the enterprises and laborers (the initiative of the enterprise managers must also be mobilized at the same time) and further enlivening the economy. During the initial post-liberation period, that is, the period of national economic rehabilitation, we accumulated very successful experiences. During the period of the First 5-Year Plan we had also many good experiences. However, after 1958, the "leftist" mistakes became more and more serious. To summarize, the main shortcomings in the economic system were over-centralized management power; no distinction between administrative and enterprise management; economic management mainly by means of administrative measures; the enterprises having no decisionmaking power; and serious egalitarianism in distribution. As a result, there appeared a situation of enterprises eating from the same big pot of the state and the workers and staff eating from the same big pot of the enterprise. The initiative, enthusiasm, and creativity of the enterprises and the broad masses of staff and workers were greatly suppressed, and our economic system lacked vitality and vigor. Our current reform is aimed at solving these problems.

Compared with the reform in the countryside, the economic system reform in the cities is more imperative and complicated. We must resolutely follow the principle of integrating the basic principles of Marxism with China's realities -- which has always been advocated by our party -- and the principle of taking a correct approach to foreign experiences. We must also conscientiously sum up our own experiences while learning from all the advanced management and operation methods in organizing socialized production in the contemporary world, in order to establish a socialist economic system that is suitable for our national situation and is full of vitality and vigor. We must take a positive and prudent approach toward the reform and advance through exploration. Taking a positive approach means to encourage and support people in boldly blazing new trails. But taking a prudent approach does not mean hesitating to move forward. To use a common Chinese expression, it means to "grop one's way in the river by feeling the stones."

All decisions, such as what is to be reformed and in what order, should be made after investigation and study, and all major reforms should be carried out after conducting experiments. This is a method conforming to the Marxist theories of knowledge and practice. In this way we shall be able to avoid big mistakes in reform and push forward the reform step by step and in a down-to-earth manner.

The people both at home and abroad have followed with interest the development of China's reform. Most of them hold that the reform is necessary, and that the reform carried out in the previous stage was successful. However, a small number of people are apprehensive and feel that the reform will lead to deviation from the socialist orientation. Our reply is that the reform does not deviate from the socialist orientation. On the contrary, it explores ways to build a socialist path with Chinese characteristics.

As everyone knows, socialism is the first stage of communism. During this stage the most fundamental task is to develop the productive forces. The superiority of socialism to capitalism is reflected by the higher speed and level of development of productive forces. Judging from this, one of our shortcomings since the founding of the state has been our neglect of the development of the productive forces; in other words, our economic management system has not been conducive to the quick development of the productive forces. We now deeply understand that the superiority of socialism should be reflected in the development of the productive forces and the improvement of the people's livelihood, and by making the people rich and rejuvenating the nation. Through the reform we have now discarded the system of egalitarianism, which is characterized by "everybody eating from the same big pot and allowed some districts and people to become rich before the others in order to help the whole people to become rich later. This completely conforms to the socialist principle of distribution according to work and to the objective law governing the development of things. The socialist society must enable all society members to achieve common prosperity and ensure them of gradually improving their material and cultural lives. By adopting the principle of distribution according to labor, there will be no wide gap between the rich and the poor under socialism. However, common prosperity never means that all members of the society can become rich at the same time and at the same speed. This is a one-sided view which has been proven to be harmful by the practice over the past 30-odd years.

The socialist system adopted by China at the present stage is incomparably superior to the capitalist system. Both the theory and practice of socialism are continuously developing. As is known, due to the continuous exposure of the shortcomings in the economic management system, all other socialist countries have successively put forward the task of economic reform. From this we can see that the question of reform is being considered or practiced in almost all socialist countries. Our reform is, in essence, a self-transformation and self-perfection of the socialist system, which is aimed at strengthening and developing the socialist system so that its superiority can be brought into fuller play.

Some people are apprehensive and feel that the development of commodity production in our country could possibly lead to capitalism. Our reply is negative. Commodity production is a kind of production centering on exchange. It appeared as early as a division of work and exchange appeared in human society, and it reflects different production relations in different areas of society. Under different social systems, commodity production is restricted by the specific social system to which it is attached and serves in that social system. The development of commodity production on the basis of the public ownership system will further strengthen, rather than weaken, the socialist system. The practices both at home and abroad have fully proved this.

We must admit that on the question of commodity production under socialism, we did hold a one-sided view in the past. According to the tentative ideas of Marx, socialism could only be established on the basis of highly developed capitalism, and under socialism there is not such a strong relationship between commodity and money. He did not foresee that the socialist revolution can succeed and that socialism can be built in a country where capitalism has not yet been highly developed, or even in a country like ours, where capitalism has initially been developed and where the natural economy is still in a dominant position. Before the October Revolution, Lenin also advocated abolishing the relationship between commodity and money under socialism; however, this attempt was not successful in practice after the October Revolution. Therefore, after the civil war ended, he courageously adopted the new economic policy. In his later years -- although Stalin also recognized that between the two public ownership systems there existed a relationship between commodity production and exchange -- his theories were not perfect. When dealing with relations between the two public ownership systems, he did not utilize well the relationship between commodity and money. This once greatly affected our ideology. We must follow the teachings of our revolutionary teachers and regard theories as a guide to our actions, rather than a dogma. It is necessary to stress the "dialectics of life" and, on the basis of summing up our practice and experiences, gain a new understanding of commodity production and commodity exchange. Under the socialist conditions, the development of commodity production and exchange is the road we must follow in advancing from the traditional self-sufficient economy toward socialized mass production. It is also an extremely important subject for our reform of the socialist economic system.

What needs to be pointed out is that in building socialism we must also learn from the strong points of other countries. Capitalism has a history of several hundred years. In organizing socialized mass production, the capitalist countries have accumulated a series of experiences and have advanced science and technology. Thus, in order to do well in organizing socialized mass production under socialism, we have to conscientiously learn from the advanced science and technology of other countries and absorb some of their experiences in capitalist production, operations, and enterprise management, which are useful to us. Advanced science and technology and management methods do not have class characteristics. Their use will never lead to capitalism. Because the economy of our country is not well developed and we are still in need of construction funds, we also have to absorb foreign capital. The socialist economy is the main body of our economy, and we have a profound socialist economic base. Even if several tens of billions in foreign capital are absorbed, our socialist economic base cannot be smashed. But if we do a good job in making use of foreign capital, it can supplement our socialist economy and can help to speed up the development of the socialist economy.

Practice is the criterion for truth. Similarly, whether the productive forces are developed is the criterion for our reform of the economic system. The reform is the past few years has resulted in the development of production and enlivening the economy. This fully shows that the orientation of the reform is correct and effective. However, we must also realize that our reform is just an initial attempt and exploration in many fields is necessary. A lot of work has yet to be done in order to complete the reform of the economic system in an all-round way. In many aspects of our reform, the phenomena such as lack of coordination, imperfection, and not taking concerted action still exist. Therefore, the tasks for our reform are still very arduous. Nevertheless, provided we act in accordance with the correct policies of the CPC Central Committee and insist on the reform, a vigorous development of the economy can be expected soon and the goal of making the people rich and rejuvenating the nation will surely be attained. We firmly believe that a prosperous, stronger, socialist China will appear and stand like a giant in the world.

LU DONG URGES SPEEDING UP ECONOMIC REFORM

HK300941 Beijing HONGQI in Chinese No 19, 1 Oct 84 pp 25-28

[Article by Lu Dong: "Uphold and Speed Up Reform, Attain Better Economic Results"]

[Text] In the 35 years since the founding of the PRC, great achievements that have attracted world attention have marked our industrial construction efforts. Given party leadership and the hard struggle of people of all nationalities throughout the country, we have built an independent and relatively complete industrial system from a base of "poverty and blankness" left over from old China, laying a relatively strong material foundation for the realization of the main tasks and general targets defined at the 12th CPC and establishing a position on which we can rely in pressing forward. From 1950 to 1983, our total industrial output value showed a 56-fold increase, or an average annual increase of 12.6 percent. The percentage of total industrial output value in total social output value rose to 55.1 percent in 1983 and 25.1 percent in 1949. Output of certain major industrial products has ranked among the highest in the world. Many new industries have developed from scratch, and from a small to a large scale. In the vast areas in the interior part of China and in areas of minority nationalities, a large number of new industrial bases have been set up changing the state of old China with its fragmentary and incomplete mix of industries and its distribution of industries chiefly confined to coast areas. In 1983, the whole country had a total of 393,000 industrial enterprises. Industrial enterprises owned by the whole people had fixed assets with an original value of 537.9 billion yuan, 43 times the fixed industrial assets accumulated by old China in about a century. Now, the technical level of our industry shows quite a big gap compared with the advanced world level. But we have after all, through our own efforts, achieved a series of breakthroughs in advanced technology and reaped plenty of significant results. Our industrial development in 35 years has completed a course that has generally taken up to 100 years for industrially developed countries to travel. This points to the superiority of the socialist system.

In the past 35 years, the achievements scored in our industrial construction have been tremendous, but the road followed has been tortuous. Due to "leftist" mistakes in regarding to the guiding ideology and the resulting inattention to actual prevailing conditions and neglect of objective economic laws, many faults and errors entered the picture. The 10 years of turmoil of the "Great Cultural Revolution," in particular, caused tremendous losses to our national economy. With the downfall of the "gang of four," our state entered a new historical stage. The 3d Plenary Session of the 11th CPC Central Committee basically smashed the heavy bonds of "leftist" mistakes that had long existed, set straight the party's guiding ideology, and brought about a strategic shift of emphasis in the whole party's work. Meanwhile, the directives of readjustment, restructuring, consolidation and improvement have been carried out. The policy of opening up to the world and enlivening the domestic economy has been upheld. This has put our industry on the road of steady and healthy development. Now our heavy and light industries have increasingly been brought into balance. Production technology is showing continuous advances. Priority construction projects are being gradually undertaken. Given a continuous improvement in economic results, the whole industrial production effort has maintained a relatively quick pace of development. A favorable situation rarely witnessed since the founding of the PRC has appeared. The development situation has filled the people of the whole country with confidence in the future.

Summing up the historical experiences in the past 35 years and especially what has been practiced since the 3d Plenary Session of the 11th CPC Central Committee, we can see that to turn our country into a modern and powerful socialist one, we must take the actual conditions of our country into consideration, follow a socialist road of industrial development with Chinese features, uphold and speed up reform, and shift the emphasis of all our work to the orbit centering on the improvement of economic results.

1. Improving Economic Results Is the Fundamental Starting Point in Organizing Industrial Production

The correct handling of the relations between speed and results has all along been a conspicuous problem in industrial production. The establishment of the socialist system has closely linked industrial production with the continuous satisfaction of ever growing social needs and provided tremendous possibilities for the development of our national economy in a quick, plentiful, satisfactory and economical manner. We must not only strive for the highest possible speed attainable but also fight for the maximum results obtainable, achieving unity between speed and results and making the country and the people rich as quickly as possible. This is dictated by the fundamental socialist economic laws and the law of planned and proportionate development of the national economy. In the past, under the guidance of "leftist" thinking, speed was often separated from results in one-sided pursuit of speed to the neglect of results and with no regard to the objectives of socialist production, the quality and variety of products and comparisons between input and output. The result was that despite the fast growth of the speed of industrial production, the actual benefits reaped by the people were scanty. Since the 3rd Plenary Session of the 11th CPC Central Committee, the party Central Committee has clearly stipulated that in considering all economic problems we must base our starting point on improved economic results and pave a new road that allows a relatively realistic speed, relatively satisfactory economic results, and more actual benefits for the people. This represents a fundamental change in the ideology guiding our industrial production and has produced an ever greater impact on actual work.

In the past few years, to change a state of high speed and poor results that had long existed, and to achieve unity of speed and results, we first stressed solving the problem of providing the appropriate salable products for the market in industrial production. We called for organizing production according to social needs and putting quality first. This brought about a simultaneous increase in industrial output value and income from sales. Then, we further concentrated on the effort to turn losses into profits, stressing the greatest possible savings in the use of manpower and material and financial resources and bringing about a simultaneous increase in industrial output value and taxes and profits realized. Since the beginning of this year, to create a new situation in improving economic results and to achieve the quickest possible fundamental turn for the better in the state's financial and economic position, we further took the three factors -- industrial output value, taxes and profits realized and taxes and profits turned over to the state -- as objectives of struggle, bringing about an unprecedentedly favorable situation in industrial production, in regard to the speed of growth, economic results, proportionate relations, and so forth.

It should be noted that despite an improvement in the economic results of industrial production, quite serious losses and wastage still mark the process of production. A small number of industrial enterprises in particular, with their low technical level and their backwardness in management and administration, have been far from fully tapped in their production potential. To bring about a continuous improvement in economic results, we must continuously uphold the spirit of the National Economic Work Conference, adopting a method of systematic engineering and realistically carrying out comprehensive remedial measures on three fronts. The first is an improvement in the quality of enterprises. This is the basis of the whole effort. The second is the strengthening of management of businesses to realize a rational enterprise organizational structure. The third calls for properly handling macroeconomic management, strengthening efforts toward a comprehensive balance, smoothing out economic relations, upholding an open-door policy, promoting economic results, and studying and formulating effective economic policies, thus not only maintaining a steady growth of industrial production in the days to come but also maintaining reserve energy for economic development -- creating economic conditions for a revitalized economy.

These three fronts are interrelated and conditional on each other. So long as we direct persistent and vigorous efforts toward these ends, we can surely bring about a steady growth of our industrial production on the basis of continuously improved economic results.

II. Energetic Promotion of Technical Progress Is a Road That Must Be Traveled in Industrial Modernization

A revitalized economy depends on scientific and technical advances. This is a fundamental guideline for our country's realization of modernization. To narrow the gap between the technical level of our industry and that of developed countries and meet the challenge of the new technical revolution in the world, the important thing is that we must carry out technical transformation of existing enterprises in a planned and systematic manner, with priorities in mind, and base our industrial production on advanced technology. This is a major issue bearing on the success or failure of our modernization effort.

After 35 years of construction efforts, our industrial system has basically shown development. But many old enterprises and old bases face a serious task of technical transformation and equipment upgrading. For some time to come, given limited state funds, except for individual priority construction projects that need to be started, we must resolve to do a good job carrying out the technical transformation of existing enterprises, restoring and rebuilding them, and resolutely carrying out the guideline of giving more attention to transformation than to setting up new projects. In the past 5 years, the iron-steel industry has chiefly relied on the technical transformation of existing enterprises to increase the steel production capacity by 10 million tons. Meanwhile, given a sharp drop in energy consumption, the quality of products has shown a marked improvement. Experience shows that technical transformation is a method involving little investment, more output, and quick results. As far as the current conditions of our country are concerned, the building of a new large or medium-sized project generally takes a period of around 10 years. In this time, there is only input and no output. On the other hand, given technical transformation, existing enterprises can generally turn out products in 2 or 3 years and yield results. A comparison shows that the period required for the technical transformation of existing enterprises is much shorter, that there are much quicker returns on the capital invested, and that the returns on investment are much better. In the future, the country will shift the emphasis in investment to the technical transformation of existing enterprises. All those existing enterprises that can be technically transformed and expanded to increase the production capacity must be excluded from plans for the building of new plants. This is undoubtedly a major policy decision compatible with the actual conditions of our country. To smoothly carry out this major task, we must sum up historical experiences, study new work methods, and find a new path that allows little input and plentiful and quick output, bringing about a benign cycle of technical transformation. In light of the features of different areas and the conditions of different trades and enterprises, we must formulate certain concrete policies, stimulating enterprise enthusiasm for speeding up technical transformation and technical progress.

To speed up technical progress, we must start from a high level and must insist on opening up to the world, energetically importing technology, and paying attention to applying advanced world technical research results. We must make the most of two types of resources, domestic and foreign, and build up two markets, domestic and foreign. We must learn two sets of skills about how to organize domestic construction efforts and develop economic relations with foreign countries. Any idea or plan must be based on the needs of the state. It is unrealistic to start all over again in every field. We must avail ourselves of the open-door policy to draw on others' strengths to make up for our own weaknesses, thus stimulating economic development.

To speed up technical transformation, we must also do away with all outdated and irrational rules and regulations in our existing management system that interfere with technical progress. We must practice the system of management modeled after the fashion of everything being linked up like "one dragon." We must take products as the head of the dragon and organize work in a varied and flexible manner -- work involving technical development, technical transformation, technical importation, technical management, technical innovation, raw and other materials, components, substances and additives required in production, technical coordination, scientific research, design, production, set standards, measurement, patent rights, information, inquiry, and so forth -- in light of the built-in links between these fields. This will enable science and technology to translate more quickly into effective measures to realize higher productivity.

3. Enlivening Enterprises Is a Central Link in Industrial Reform

Since the 3d Plenary Session of the 11th CPC Central Committee, we have made many-sided explorations and experiments in reforming the industrial management system and have achieved definite results. Since the beginning of this year the CPC Central Committee and the State Council have once again given instructions that in economic work we must put emphasis on taking good care of two major issues -- the reform of the system and the opening up of the country to the world. They have put forth a string of policies and measures to accelerate economic reform. Especially since the implementation of the State Council's "Tentative Regulations on Further Enlarging Decisionmaking Power for State Industries and Enterprises" and since the further opening up of 14 coastal cities, the situation has undergone tremendous changes. We should make the most of the current favorable situation to push reform forward in a continuous advance.

The fundamental task in the historical period of socialism is to develop productivity and ceaselessly improve the material and cultural life of the people. Reform is aimed at overcoming defects in the existing economic management system and ways of operation or administration and removing obstacles in the development of productivity. The core of the reform of the industrial system calls for turning an enterprise into a dynamic and lively economic cell. Various urban economic systems must turn on this central link of enlivening enterprise. Now, we already have about 400,000 industrial enterprises. Whether or not they are filled with vitality -- this has a great bearing on the strengthening of the state's economy, the smooth process of modernization and an improvement in the people's living standard. The various defects in our existing economic management system find concentrated expression in government administration and enterprise management not being separated, enterprises being excessively controlled and too rigid, the position of enterprises are relatively independent commodity producers not being recognized, and the deserving decisionmaking power of enterprises over management matters and operation not being recognized. To say nothing of the lines of business involving different enterprises and economic links between different areas, everything being arranged by the upper-level administrative department in charge in regard to what an enterprise produces, how much is produced, where the products should be sold and even an enterprise's own simple reproduction. If such a management system is not reformed, an enterprise cannot be vitalized. The state organization's economic management should be chiefly through national economic plans and economic, administrative, and legal means, guiding the development of enterprises' economic activities in a direction favorable to the whole economic situation. An enterprise's everyday operation and management activities should be handled on its own under the guidance of state plans, policies, and decrees. An enterprise should have the right to select flexible and varied means to run operations, the right to arrange its own supply and sales activities, the right to possession and disposition of its own funds, the right to decide on its own employment system and wage-bonus system, and other rights.

Only in this way can there be competition and organized integration between enterprises. And only thus can a responsibility system combining responsibility, authority, and profits really be established in an enterprise.

A switchover from non-separation between government administration and enterprise management to separation between government administration and enterprise management -- this is a fundamental reform of our economic management system. We must bring enterprises new life and vitality, stimulating the thriving growth and prosperity of the whole economic undertaking. Industrial management departments at all levels that are in charge must make a transition from the proper management of the enterprises under them to the proper management of the whole trade and take proper care of general and specific policies, overall planning, a comprehensive balance, the organization of cooperative efforts, and the business of supervision. Enterprises must be gradually oriented downward to reach the cities where they are situated. After an enterprise is directed downward, it is not just a case of the city government directly controlling its production and operation activities. Instead, the central city is taken as its base. Through economic, administrative, and legal means, attention is paid to enterprise reorganization and integration, specialized coordination, organization of the circulation of commodities and funds, the proper handling of science and technology, and the building of cultural, educational, and other public facilities.

Apart from the separation between government administration and enterprise management in the industrial reform, we must also carry out a series of reforms in regard to planning, pricing, labor, commodities, and so forth. These will involve the economic relations between various sectors, the readjustment of economic interests, and also complicated factors and tough tasks. Based on the arrangements by the CPC Central Committee and the State Council, we must assume a resolute attitude and take proper care of various reforms in a planned and systematic manner.

4. To Train and Establish a Large Army of Economic Management Cadres Is an Organizational Guarantee for Industrial Modernization

To improve economic results, to stimulate technical progress, and to reform the economic system -- all these urgently call for training and establishing a large army of economic management cadres. Whether or not the cause of modernization can proceed smoothly depends to a very large degree on whether or not this problem can be correctly solved.

At present, the quality of our economic management cadres falls far short of the demands of the objective situation. After 2 years of enterprise reorganization work, the leading groups of some enterprises have been reorganized and strengthened. The leading groups of some enterprises are also being reorganized. An immediate problem is to place those well-educated, younger, innovative and ideological active cadres in enterprise leading groups as quickly as possible. All cadres are facing a serious job of restudy. On the basis of reorganizing and strengthening enterprise leading groups, we must organize cadres to acquire modern technical knowledge and modern management knowledge and help raise their capacity for organization, supervision, coordination and decisionmaking. To speed up the training of economic management work cadres by various means and along various lines has become an urgent task that calls for immediate attention.

The state stipulates that factory and company managers must be subjected to a unified test and withdrawn from office if they fail to pass it. This is a major measure to strengthen the building of enterprise leading groups. It is also a major step to reform the cadre system. We must properly take care of training prior to a unified test for factory and company managers and organize them to systematically study socialist economic theories and modern management knowledge.

For managers of large and medium-sized backbone enterprises throughout the country, we must also conduct training in electronic computer knowledge and strive to provide training once every 3 years on a rotating basis. For the party committee secretaries and general party branch secretaries of enterprises at and above the county level and responsible persons of political work departments, we must strive to give general training once before 1987 on a rotating basis. Meanwhile, we must treat the training of elite middle-aged and young reserve cadres on a rotating basis and the strengthening of the building of the third echelon as an urgent business, organize reserve cadres of large and medium-sized backbone enterprises to receive specialized studies in economic management cadres colleges and cadre special training classes of institutes of higher learning, and take the academic achievements as an important basis for examination and promotion.

We must pay close and proper attention to the building of economic management cadre colleges and schools. At present, the economic management cadres colleges and schools and training centers of various areas and departments are mostly in their initial stage of operation. Conditions for operation are relatively poor and great difficulties are encountered. We must take effective measures to help them grow and develop more quickly. We must pay proper attention to the building of the leading groups and teaching teams of colleges and schools. Through such means as assignment, transfer on a selective basis, recruitment through advertisement, and so forth, we must solve the problem of teacher shortage. We must also direct intensified efforts toward the creation of teaching materials. Hackneyed teaching materials are hardly the right stuff for the training of qualified personnel. We must strive to finish as quickly as possible the editing, writing, and publication of teaching materials for 2-year special college classes for the training of industrial enterprise managers, factory managers, and reserve cadres.

WANG ZHEN URGES YOUTH TO SETTLE BORDERLANDS

OW261353 Beijing Domestic Service in Mandarin 0500 GMT 22 Oct 84

[Article by Wang Zhen: "Youth, Be Pioneers of the Motherland's Frontier Regions," which was originally carried by ZHONGGUO QINGNIAN ZAZHI [CHINA YOUTH MAGAZINE] in its No 10 issue of 1984]

[Excerpts] While the entire nation is celebrating the glorious 35th anniversary of the founding of the People's Republic of China, ZHONGGUO QINGNIAN ZAZHI, and nine other youth magazines and newspapers of China, have sponsored a move to decorate and honor the outstanding sons and daughters working in the frontier regions. This is of great significance.

Being a veteran fighter myself, who used to live and work in the frontier regions in northwest and northeast China, Fujian Province and Hainan Island, I wish to extend my greetings to both the people of various nationalities and the young people who are working in the motherland's frontier regions. At the same time, I also would like to say a few words concerning this worthy activity.

Despite the rugged path traversed by our nation over the past 35 years, the heroic people of various nationalities, under the party's leadership, have opened up, built, and defended the frontier regions with an indomitable and fearless revolutionary spirit, and have thus written a new chapter in the history of struggle to open up the undeveloped frontier regions. What is particularly noteworthy is the fact that a large number of young soldiers, and group after group of other ambitious youths, have gone to the frontier regions from inland localities to join the local people of various nationalities in difficult pioneering tasks, with concerted efforts.

They have cultivated every inch of the frontier soil with their own hard work and resourcefulness, and have taken root there, blossomed and borne fruit.

Many among those pioneers, who arrived in the frontier regions in early groups, have established their careers, settled down and formed a middle-aged backbone frontier force, while a large number of young latecomers in their prime years have formed a new force. Both have matured and grown up with New China. They have dedicated their youth, wisdom, and blood to the opening up, construction, and defense of the frontier regions. In their ordinary daily labor, they have performed epic deeds, and have proved themselves to be worthy sons and daughters of the motherland's frontier regions. They deserve our respect and honor.

The campaign, jointly sponsored by 10 of the nation's youth magazines and newspapers to decorate the outstanding sons and daughters from the frontier regions, is also one for the party and the people to honor them.

Currently, our motherland is forging ahead on a magnificent course to build the two civilizations and realize the four modernizations. The frontier regions must synchronize their progress with the whole nation. In our effort to revitalize the entire nation, the motherland's vast frontier regions should be very attractive and appealing to the ambitious and promising younger generation. In the frontier regions, there are vast tracts of fertile land, and rich mineral and other natural resources. They offer a vast world, where youth can give full play to its wisdom and talents. In issuing a call urging the nation's youth to open up the frontier regions, including the vast Northeast and Northwest, and all other areas requiring hard work and wisdom to explore, the party Central Committee has put this heavy, historical burden squarely on the shoulders of the current generation of Chinese youth. It is an extremely glorious, yet arduous, task requiring thousands and thousands of youths to be vanguards, vying with one another to be the motherland's worthy and loyal sons and daughters, who will not fail their own fear neither hardship nor obstacles, and are pioneers who will forge ahead courageously in the van of our times.

The lofty and sacred patriotic ideas, which used to inspire countless heroic sons and daughters to lay down their lives for the motherland's future, are even more inspiring to the young people of today in their efforts to establish lofty revolutionary ideals, to plunge into the might torrent of the current reform, and to dedicate all their strength to opening up new vistas in socialist modernization, and to the long-term security, prosperity, and defense in the frontier regions.

I hope all our young people will be fine sons and daughters of the motherland. I hope they will strive to study and appreciate the motherland's charm and beauty, her long history, her brilliant culture, her glorious revolutionary traditions, and her great national spirit; to gain a deep understanding of the motherland's past, present and future; to be familiar with local conditions, public feelings and characteristics; and to ardently love every inch of the motherland's soil.

To be worthy sons and daughters of the new era, young people must attain a relatively high scientific and cultural level, in order to make new contributions to the four modernizations. It is the call of the new era. Culture, science and technology are all badly needed in the frontier regions, in order for them to be opened up and wisely developed.

Many of our college graduates, embracing great ambitions to meet the motherland's needs, have volunteered or obeyed state assignments to work in the frontier regions. They have consciously dedicated their youth and knowledge to the people of the frontier regions and to the construction tasks there. They are developers of intellectual resources in the frontier regions and are thus worthy of decoration and honor.

I hope there will be more professional people of various types to support frontier construction in the future. At the same time, I also hope that all frontier youths will be worthy of their youthfulness; study hard and master modern science and technology and cultural knowledge, including the world's most advanced scientific and technological achievements; raise the frontiers' cultural quality and knowledge level; and give still fuller play to their ability, talent and potential, thereby bringing benefit to the people, and building the frontiers into highly civilized new regions.

After 35 years of arduous struggle, we have achieved a tremendous victory in our socialist construction, and created very favorable conditions for the four modernizations. But we must also realize that our tasks remain formidable and conditions in the frontier regions are still relatively difficult. To realize modernization, our young generation of pioneers and frontier defenders must still inherit and carry forward the selfless and fearless spirit of devotion which has been fostered from the early war years to the period of national construction after the founding of the new Republic. They must have strong characters, as well as determination and willingness to endure great hardships and do hard work. Only those who have dedicated their talent and made achievements in localities, where they are most needed and where conditions are most difficult, will be truly worthy of being the motherland's fine sons and daughters.

The present generation of youth should have such ambitions and make such attempts. Therefore, I hope the vast number of youths now living and working in the frontier regions, as well as those youths aspiring to offer themselves for frontier careers, will embrace the lofty ideas and ambitions of the pioneers, fear neither hardship nor obstacles; create new lives and new industries with an undaunted, heroic and tenacious spirit; vie with one another to be fine sons and daughters in the motherland's frontier regions; compete for the honor of wearing the glistening medals; and create new lives of honor and glory, while making contributions to the motherland's construction. This is a common desire shared by the people of the whole nation and youth. It is also the highest hope and desire of a veteran fighter like myself.

I am sincerely paying close attention to this significant scheme, and wish it success. I also wish to welcome the motherland's fine sons and daughters from the various frontier regions in Beijing next summer.

20 KEY CAPITAL CONSTRUCTION PROJECTS COMPLETED

OW301224 Beijing XINHUA in English 1148 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- China completed 20 major capital construction projects in the first nine months of this year, the State Statistical Bureau announced here today.

In addition, 38 important items of key projects were completed, Ma An, a leading official of the bureau, said.

Over the whole year, China will invest 73 to 74 billion yuan in capital construction -- an increase of 22.9 percent to 24.6 percent over 1983, the official said.

Priority is given to coal, power, transport, posts and telecommunications scientific research, education, culture and public health, he stressed.

During the nine-month period, construction work provided the capacity for producing an extra 3.49 million tons of coal a year, 9.34 million tons of petroleum, 208,000 tons of refined sugar and 230,000 tons of cement. Power generating units added during the period had a total capacity of 1.11 million kilowatts. In addition, 1,119 kilometers of new railways and 316 kilometers of electrified lines were opened to traffic.

At the same time, the official said, China put up buildings with a total floor space of 36 million square meters, including 20 million square meters of housing.

Public bidding for construction schemes, part of the country's reform of the building industry, is being introduced. Nearly 500 projects in Guangdong, or 23 percent of the province's total, were put out to tender in the first nine months of this year.

TECHNOLOGICAL COOPERATION MEETING ENDS 30 OCT

HK010418 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 30 Oct 84

[Text] The technological cooperation meeting on supporting the northwest, sponsored by the All China Federation of Trade Unions, in which more than 40 technicians, experts, and scholars from 20 provinces and cities of the country participated, successfully concluded on the afternoon of 30 October when contracts were signed on the transfer of technologies and technological cooperation with companies and enterprises concerned in Lanzhou.

During the meeting, two projects of technological cooperation were completed with some achievements. One was the agreement signed prior to the current meeting on technological cooperation in tackling the welding of gas pipe installations under working conditions between the Lanzhou oil refinery machinery and power department and the Shenyang Liming machine-building company. Leakages have often occurred in the gas pipes at Lanzhou oil refinery, and explosions could occur if welding was adopted. With the introduction and implementation of the new technique provided by Shenyang Liming machine-building company, the leakage of gas, steam, and water can be stopped without holding up work and production.

The other project was the fulfillment of the contract on cutting and processing the edges of large (?pieces) signed between Wuhan technological cooperation committee and Lanzhou petrochemical machine-building plant. By adopting ceramic cutters in processing the surface of huge steel pieces, the degree of finish of the surface has improved. At the same time, improvements have also been made in the surface processing of some tempered steel and spray-painted pieces.

During the ceremony for signing the contracts on technological cooperation on the afternoon of 30 October, 17 contracts were signed between the technological cooperation committees of Shanghai, Beijing, Wuhan, Tianjin, Shenyang and Lanzhou; of these, 11 projects were on tackling technological problems, and 2 were on setting up joint management. Other projects are still under negotiation.

XINHUA RIBAO DESCRIBES JIANGSU MILITIA REFORM

OW310213 Nanjing XINHUA RIBAO in Chinese 18 Oct 84 p 4

[Article by Yue Dewang, political commissar of the Jiangsu Military District: "Blaze a New Trail for the Militia Work To Meet the Historical Changes in the Countryside"]

[Excerpts] With the implementation of the party's various economic policies, and particularly with the rapid development of commodity production in rural areas since the 3d Plenary Session of the 11th CPC Central Committee, China's countryside has been undergoing historical changes. These great changes affect people's economic, political, ideological, and cultural life. At the same time, they have set many new tasks with regard to rural militia work. To establish the notion of organizing the militia for economic construction and make the militia play the role of a vital new force in the course of rural reform is a demand set for us by the current situation, as well as the only way to strengthen the militia building in the new period. In recent years we have conducted comprehensive investigations and studies and tried out reformatory measures. We have preliminarily explored new ways to reform militia work under the new situation.

New Problems Emerging Under the New Situation

The development of commodity production in rural areas has widened the road and created many favorable conditions for militia work. However, it has also given rise to a new situation with many new problems.

1. Because of changes in the rural economic structure, the old militia organization is no longer suitable for commodity production. The development of township- and town-run enterprises has made more and more core members of the militia quit farming to become industrial workers. Shazhou County has 25 townships with some 950 township-run enterprises. At present, 70 percent of the militia in Shazhou County have joined the enterprises. Therefore, the old practice of forming militia units within the purely agricultural administrative organizations is no longer suitable for the new situation.
2. The emergence of a diversified economy has caused a tendency for rural labor force to "flow out in large numbers to many other places." In many localities, some militia members work elsewhere, but their names are still on local militia rosters. Some leave for work in the morning and return home in the evening, while others stay out of town permanently. Moreover, this phenomenon is becoming more and more conspicuous, causing new problems to our efforts in putting militia work on a solid basis organizationally, politically, and militarily.
3. The development of a commodity economy has expanded the realm of political, economic, and cultural activities in the countryside. The purely military and political education of the past can no longer satisfy the young militia members' needs for pursuing knowledge, more income, and recreation. Today, some militia members are workers during working hours and peasants after working hours. They work during the day and study at night. The old practice of gathering a large number of persons in a training session during the day not only obstructed production, but also adversely affected militia members' income.
4. To develop a rural economy requires a contingent of well-educated and pioneering full-time military cadres to lead the militia in economic construction. Therefore, we must improve the situation in which the full-time militia cadres are getting old, are poorly educated, are sharing food from the same big pot, and are lacking a new reformatory and pioneering spirit.

5. Commodity production and the implementation of the policy of opening to the outside world have set new tasks with regard to ideological and political work in the countryside. They have also set higher demands for the militia to build a socialist spiritual civilization. Some young militia members are not assuming a correct attitude toward commodity production and the party's policy of opening to the outside world. They want to make more money and fulfill fewer obligations and are unwilling to participate in militia activities.

Preliminary Reform On a Trial Basis

First, we have adopted various forms of militia organization to meet the changes caused by reform of the rural economic structure.

In view of the emergence of new labor organizations in rural areas, we have proceeded from realities to readjust the militia organization. 1) We have organized militia units according to township- and village-run enterprises, so that the militia members who quit farming but are still in the village are organized into stable new units. By the end of 1983, 680 enterprises in Shazhou County, accounting for 72 percent of the country's total township- and town-run enterprises, had formed primary militia organizations. Enterprises' core militia members account for 63 percent of the country's core militia members. 2) We have organized militia units according to the specialized contract work teams which are working in other places on a long-term basis. In this way, the militiamen who are "away from their native places" are not separated from the organization. Our province has some 10,000 specialized contract work teams that are working in various parts of the motherland. In order to include into the organization these militiamen who are working outside throughout the year, militia units have been organized in many localities on the basis of the specialized contract work teams. 3) We have organized militia units according to the integrated economic establishments between villages and townships so that the militiamen "independent from the two" (independent from their families and their original enterprises) can also join the activities of the militia organization. There are 44 different integrated economic establishments in Jinsha Town, Nantong County. When militiamen entered these integrated economic establishments, they became independent from their families and their original enterprises. Under these circumstances, they organized primary militia units -- squads and platoons -- based on the integrated economic establishments, thus ensuring their normal activities. 4) Militiamen from specialized households and individually working households are still organized according to the administrative villages to maintain their good organization.

Comrades of the People's Armed Forces Department have said that organizing militia units in a flexible way to suit the local conditions provides a reliable organizational guarantee for successful militia building to serve the central task under the new circumstances.

Second, we have established spare-time multidisciplinary schools to meet the militiamen's need to seek knowledge, wealth, and happiness.

With the development of commodity production in rural areas and the rapid improvement of the peasants' material well-being there has been a drastic change in the militiamen's thinking and interest. This change can be summarized as the need to seek knowledge, wealth, and happiness. If we did not change the past practice of assembling the militiamen for unitary educational training, and if we did not change the contents of the training courses, it would be very difficult to improve militia activities.

In September of last year, the Zhenjiang Military Subdistrict conducted an experiment in some rural areas of Zhenjiang City. Spare-time multidisciplinary schools for young militiamen were set up by using the facilities of militia youth centers and clubs. These schools are comprehensive spare-time educational organizations for training a new type of young militiamen -- those who have political consciousness and military knowledge, who are scientifically minded, and who can become well-off -- to serve the purpose of carrying out and safeguarding the cause of the four modernizations. Six months later, over one-half of the militia youth clubs in the province -- a kind of facility established in 85 percent of the province's militia units -- became multidisciplinary schools, and enterprise militia organizations also began to set up that kind of school.

Third, we have let militiamen set up and use factories to support their subsistence in order to lighten the burden on the state and the people.

Since various contracted responsibility systems were established in the rural areas and emphasis was put on the need for economic accounting, it has been hard to get funds for various militia activities. In the course of reform, we have explored and found a way to solve this problem, and that is by "letting militiamen set up and use factories to support their subsistence so that the militiamen will have their financial resources by relying on their own efforts." Some militia units raised funds and set up factories for independent operations. Without capital, factory buildings, equipment, and technical know-how, they mobilized militiamen to start from scratch by "borrowing money and equipment and recruiting technicians." Some militia units adopted the method of joint operations with local enterprises. Now there have been several new trends in our province with regard to militia factories: First, "the four wheels are turning at the same time." That is, factories are run by all four levels; namely, by counties (districts), by township People's Armed Forces departments, by militia battalions, and by individual militiamen. Second, a new trend has developed from "letting militiamen set up and use factories to support their subsistence," to "setting up commercial units to support the militiamen's subsistence." Third, a trend has developed from mobilizing militiamen to set up factories, to "making investment" in reserve service personnel. For example, the Sihong County People's Armed Forces Department and the county government run an employment agency for retired servicemen so that the talents of those with certain kinds of expertise can be utilized to the fullest extent and they can be helped to become well off. In Jingjiang County, all villages and towns have set up welfare factories for sick, disabled, and retired soldiers as a measure to encourage those in active duty to valiantly defend the country. All these experiences are now being popularized in the province.

Fourth, we have combined the running of factories and the training of technical militiamen in order to strengthen the building of a specialized technical militia force.

At present, an important task in building the militia is to strengthen the ranks of specialized technical militiamen in order to meet the needs of modern warfare. By taking advantage of the current favorable situation in rural areas where great efforts are being made to develop village and town enterprises, we have combined the work of running factories with the training of specialized technical militiamen. Training courses have been arranged in accordance with the nature of the enterprises. For example, arrangements have been made for radio factories to train communications militiamen; transportation teams to train militia drivers; construction teams to train engineering militiamen; and so forth. Earlier methods of organization, such as the unitary system which limited a militia company to a factory and a platoon to a workshop, have been eliminated.

Now some enterprises have their own militia units; others have joint militia units that may involve different enterprises of the same trade or under the same department. As for training methods, routine training is given in conjunction with the production work in various factories in addition to collective training on the training bases built by various countries. Core members of the militia with good technical skills, youth, and a fairly good education are organized into technical detachments to ensure that there are always good-quality technical militiamen. The work of training specialized technical militiamen has developed quickly in our province. We have gradually built up the ranks of technical militiamen in dozens of specialized fields, including artillery, communications, anti-chemical operations, engineering and construction, water and land transportation, machine repair, medical care and nursery, as well as other special services. A base for training reserve technical soldiers has been initially tried.

Fifth, we have changed the age and educational structures of the ranks of full-time armed cadres in order to build a contingent of full-time armed cadres who are proficient in one specialized field, but are also capable of doing other jobs.

The key to strengthening militia building during the new period lies in the cadres. To quickly correct the problem that our present full-time armed cadres do not meet the current requirements, we have taken three reform measures: First, we have instituted a recruitment and contract system. In February of this year, the provincial Military District gradually popularized the recruitment and contract system on the basis of the experiments conducted in this regard. Those to be recruited are principally retired servicemen and militia cadres. With regard to qualifications, they must uphold the four basic principles, must be under 35 years old, must have senior middle-school education, and must have a certain level of military and political quality and the ability to organize and lead the militiamen. In selecting the qualified personnel, both those at the higher level and those at the lower level give their opinions, and a comprehensive evaluation is made with the party committee responsible for making checkups. In addition, there are written and physical examinations. Finally, an "employment contract" is signed by the country (district) People's Armed Forces Department, the personnel bureau, the party committee of the grassroots unit, and the individual being recruited. Through this recruitment method, we have lowered the average age of full-time armed cadres in our province to 36.5, considerably raised their educational level, and overcome the problem of continuous aging that remained unsolved for many years. Second, we have implemented a "four fixes" personal responsibility system 1) There is fixed duty. Based on the principle of using persons according to their ability, we have assigned duties to the individuals by taking their past experience into consideration. 2) There is fixed responsibility. Based on the needs of different jobs, we have established the personal responsibility system to clearly define powers and responsibilities. 3) There is fixed remuneration. Wages are determined according to the individual's jobs, years of service, and other conditions. 4) There is fixed reward. Work is examined periodically for job evaluation purposes and for deciding whether promotions or demotions, or rewards or punishment should be given. Third, we have established full-time armed cadre schools and set up a rotational training system for these cadres. We have grasped the training of full-time armed cadres as a major aspect of the militia educational training.

Enlightenment Received Through Practice

In the practice of reforming our militia work, we have deeply realized the necessity of grasping the following in order to create a new situation of this work to cope with the historical changes:

1. Eliminate the influence of "leftist" ideas and cope with historical changes in guiding ideology. In recent years, we have used our guiding ideology as a basis for repeatedly organizing the militia cadres at all levels and the broad masses of militiamen to earnestly study the documents issued by the 3d Plenary Session of the 11th CPC Central Committee and develop various educational activities by going out to seek comments and inviting others in to give their views, thereby helping everyone to further emancipate their thought and follow the correct orientation in militia building for the new period. The broad masses of militiamen have realized that they are the main force in developing commodity production and invigorating rural economy, and that they shoulder the glorious task of "winning all seven battles" in Jiangsu. They have boldly plunged into the rushing torrent of historic changes in the countryside to vigorously carry out reforms and blaze a new trail.

2. Learn how to do economic work and keep pace with the changes in knowledge. The content, objectives, and measures of today's militia work is quite different from that of the past. The militia slogan: "hold a gun in one hand and a hoe in the other" can no longer keep pace with the new situation. Training militia cadres and militiamen to master the actual skills in economic construction has become a pressing task in doing militia work.

3. Persistently create the new in the course of seeking truth from facts, and accomplish the historical changes in ideological line. Different laws govern the development of different things. The same thing may have different characteristics in different localities. Let us take militia work as an example. Militia work in Jiangsu has a similar nature, task, and content as that in other provinces. But they differ in other areas because of their different geographic and economic conditions. Even militia work in northern Jiangsu differs from that in southern Jiangsu. Therefore, in the course of reforming our militia work, we must not automatically copy other people's experiences. Nor should we carry out reforms blindly. We must proceed from our own actual conditions, carry out reforms in the course of seeking truth from facts, and seek truth from facts in the course of carrying out reforms.

4. Actively bring into full play initiative from both the central and local levels and bring about changes in work methods. To closely link the practice of respecting the initiative of the masses with the practice of organizing the cadres at all levels to conduct investigation and study is an effective method in promoting reforms in militia work and in keeping pace with the historic changes in the countryside.

The leading comrades of the provincial Military District and military subcommands and the People's Armed Forces departments in various counties and prefectures and the basic-level militia cadres have persistently conducted investigation and study, personally taken part in carrying out reforms, incessantly studied the new situation, and summed up new experiences. Thus, they have vigorously reformed militia work in depth and breadth.

GUANGXI LEADERS AWARD GYMNASTICS PRIZES

HK291156 Nanning Guangxi Regional Service in Mandarin 1130 GMT 26 Oct 84

[Excerpts] All team and individual all-round events of the 1984 national gymnastics tournament for division were concluded yesterday evening after 12 intense events in 3 rounds during 6 days.

After the competition, Guangxi regional party and government leading Comrades Qiao Xiaoguang and Wu Keqing awarded prizes to the teams and athletes winning the first six places in all team and individual events.

HENAN HOLDS FORUM ON CPC REFORM DECISION

HK291455 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 26 Oct 84

[Text] Yesterday, more than 30 theoretical and practical workers engaged in economic work and management, teaching, research, and propaganda work in the economic field held a forum in Zhengzhou to study the decision adopted at the 3d Plenary Session of the 12th CPC Central Committee. Hou Zhiying, member of the Standing Committee and director of the Propaganda Department of the provincial CPC Committee, attended and spoke at the meeting.

At the forum the participants talked about the great significance of the decision and what they had learned from studying the decision. They also made very good suggestions for promoting the economic structural reform in this province in light of the realities in their specific units and departments. They held that the decision is a result of integrating the basic principles of Marxism with China's realities and an important contribution to the development of Marxist theory, especially economic theory. It has clarified some confused ideas on economic development, which were regarded as orthodox ideas for a long time in the past. For example, on the question of what type of socialism should be established in a country, the participants pointed out that since Marx did not make an explicit and systematic exposition on this, there have been repeated disputes over the question both at home and abroad. Due to the lack of experiences and obstruction by "leftist" influences, a type of ossified socialism actually developed in China. The state was used to managing the economy by administrative means and in a rigid way. The import of foreign capital and technology was neglected and the door was closed to international intercourse. As a result, the initiative, enthusiasm, and creativity of enterprises and individuals in production were fettered. The decision clearly pointed out that it is necessary to take the road chosen by ourselves and establish a socialist economy system full of vigor and vitality and with Chinese characteristics. This is an important contribution to Marxist economic theory.

On the relationship between a planned economy and commodity economy under socialist conditions, for many years the two were separated and set against each other. As a result the law of value and economic levers were not effectively used to promote the development of the socialist economy. After summing up both positive and negative experiences in our socialist construction and unifying the planned economy and the commodity economy, the decision advanced the principle of establishing a planning system capable of making use of the law of value in developing the socialist commodity economy. This is an important development in Marxist political economy, which is of great theoretical and practical significance in promoting the reform of the economic system and accelerating the development of the socialist economy.

Showing respect for talented people and knowledge is an important matter expounded by the decision. During the discussion the participants pointed out that our province has a population of more than 70 million and is rich in natural resources. Situated in central China and possessing highly developed transport and communications, our province has many favorable conditions for rapid economic development. However, at present intellectuals who have received an education above the technical secondary school level only make up some 0.3 percent of the provincial population, just as in Gansu, Xizang, Xinjiang and other remote border provinces and regions. As there are no key universities in our province, since the university entry examination was restored a large number of talented people have left this province. This does not suite Henan's position in our country. The participants held that it is necessary to improve the rigid labor and personnel system and continue to implement the policy on intellectuals conscientiously. It is necessary to make more investment in the development of intellectual resources and help the intellectuals solve practical problems in their work and daily life so that the human resources can be made the best possible use of and their role can be brought into full play. It is not only necessary to invite more talented people into our province but also necessary to tap the potential in our province and promote and use the existing talented people. This is most important. Only thus can we promote our work in various fields.

Referring to reform of the economic system, the participants pointed out that it is necessary to further emancipate the mind and carry out reform boldly and steadily. Whenever we deem reform is necessary, we must carry it out resolutely. If we are not certain of the success of a reform, we must conduct an experiment first.

At the forum Comrade Hou Zhiying emphasized that at present, it is necessary to concentrate our time and strength on the study of the document and gain a good understanding of the spirit, principles, and policies of the decision.

The forum was jointly sponsored by the Propaganda Department of the provincial CPC Committee and other organizations. More than 10 comrades from the provincial CPC Committee Party School, the provincial Academy of Social Sciences, the provincial Economic Association, and provincial Educational Association spoke at the forum.

HENAN CONFERENCE STUDIES PRODUCTION, RELIEF WORK

HK310743 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 28 Oct 84

[Report by news center reporter (Li Ming)]

[Text] The provincial conference on production and relief work concluded in Zhengzhou on 27 October. The conference has analyzed the situation of natural calamities in the province during the autumn, and discussed relief measures. It has pointed out that to rapidly recover production in the disaster areas, to promote diversified management and the development of commodity production in those areas, and to ensure a stable life for the people there are the basic requirements for production and relief work in the winter and next spring.

Because of heavy rains and hailstorms, some areas in the province have suffered from serious natural calamities this autumn. In some places, sweet potato, peanut, cotton, and maize crops have rotted, houses have collapsed, livestock have died, and there has been waterlogging, which brings wheat sowing to a stop. All this has brought about some difficulties in the livelihood of the people.

The conference points out that to earnestly implement the spirit of the 3d Plenary Session of the 12th CPC Central Committee, to mobilize the masses in the disaster areas to unfold activities in providing for and helping themselves by engaging in production, to develop diversified management in a big way, and to encourage and support the masses to develop commodity production is the chief measure to help the people recover from the natural calamities.

At present, it is necessary to exert every effort to do a good job in planting wheat in sufficient amounts, and to persuade the masses in the disaster areas to wholeheartedly accept diversified management and commodity production to develop processing industry, animal breeding, the building and service trades and farming. It is necessary to develop as quickly as possible those production channels with little investment but fast economic results. Departments concerned should provide powerful support in raw materials, products, skills, funds, and information. On a free will basis, according to one's ability without the practice of apportioning, friends, relatives, and neighbors should help each other. Necessary relief should be promptly delivered to the minority of masses in the disaster areas who have difficulties in getting grain. Relief in the form of winter clothing should be delivered discriminately. They should be appropriately delivered to areas which have suffered successive disasters, and areas at a higher altitude and those that are colder in winter. Problems in repairing houses should be solved gradually, so as to ensure that the masses can live in safety during the winter and to ensure their normal production.

Relief funds and materials should be used specifically for each of their purposes. Corruption, dividing the relief funds and materials in private and using them arbitrarily are strictly forbidden. Ideological and political work should be strengthened. The cadres and masses in the disaster areas should be educated to overcome the ideas of depending on others and to bring into play the spirit of relying on one's own efforts and working hard for prosperity for the country, so as to overcome the difficulties brought about by natural disasters.

Governor He Peikang attended the conference and made a speech. He stressed that natural calamities have appeared in the course of an excellent situation, and enough attention should be attached to this, in particular, those areas which have suffered from natural calamities in successive years. It is necessary to strengthen leadership in production and relief work, to reform relief work, to readjust the production structure, to persist in seeking truth from facts, to improve the cadres' style, and to help the masses of the disaster areas solve their difficulties in production and livelihood.

Vice Governor Yue Xiaoxia presided over the conference. Attending the conference were directors of relief work offices of prefectures and cities concerned, and members in charge of the concerned departments directly under the provincial authorities.

Hubei Units Carry Out Extensive Investigations

HK290936 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Oct 84

[Text] Inspired by the current party rectification, the economic units directly under the provincial authorities have vigorously carried out investigations and studies and have thus sped up the in-depth development of reform of the economic structure.

This investigation drive started in late August. Various departments and bureaus set up a total of 186 investigation groups, consisting of 88 cadres at the departmental and bureau level and 214 cadres at the section level. In the course of this investigation drive lasting 1 and 1/2 months, the principal responsible comrades of many departments and bureaus personally went down to the grassroots units and had face-to-face and heart-to-heart talks with managers of enterprises, cadres in charge of enterprises in towns and townships, and representatives of specialized households, and discussed with them new problems emerging in reform.

This investigation drive has widened the field of vision of our economic leaders and has accelerated reform. Various provincial departments and bureaus in charge of the No 2 Light Industry Bureau, communications, material supply, supply and marketing, grains, and banking have worked out in the course of investigations their own new plans of reform. To cope with the problems emerging in the previous period of reform, the provincial supply and marketing cooperative has put forth five measures and corrected its pace in shifting from a state-run unit to one run by the local people. In accordance with the principle of self-management, the provincial grain bureau has put forth in the course of investigations new plans for the procurement, marketing, transportation, storage, and processing of grains, and has thus brought about an unprecedentedly lively situation in the province's grain market.

HUBEI COUNTY CORRECTS MISTAKES, REVISES DOCUMENT

HK311042 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Oct 84

[Text] The Yangxin County CPC Committee recently handled a ramie-impounding case seriously in the spirit of party rectification. Some so-called Documents No 2 were corrected so that the party's policy of making the people rich can be better implemented.

On 7 August this year, Xu Guoyan and another peasant, who were from a ramie processing farm in a district of Qichun County, purchased more than 9,000 jin of ramie from the (Dade) Township supply and marketing cooperative in (Mugang) District of Yangxin County. When they were leaving this county, the ramie was impounded by the supply and marketing cooperative of (Baisha) District of Yangxin County on the grounds that there existed relevant county documents forbidding the outflow of ramie from this county. After the incident, Xu visited relevant county leaders and units many times. On two occasions the agricultural and industrial departments of the provincial CPC Committee sent letters to the county CPC Committee, requiring the latter to handle the case appropriately. However, the problem was not solved. On 4 October, Xu reported the matter to the office of the provincial CPC Committee. Then after inquiring into the matter, the responsible comrade of the provincial CPC Committee wrote an instruction on this, asking the agricultural and industrial department of the provincial CPC Committee and the provincial Peasants Association to send cadres to Yangxin County to make further investigation and study and supervise the county CPC Committee and government in handling the case according to the party's policies so that the interests of the specialized peasant households and economic combinations could be protected. The responsible comrade also pointed out: It is necessary to conscientiously weed out those Document No 2 which go against the central Document No 1.

On 9 October, the comrades who were sent to Yangxin County conveyed these directions to the responsible comrades of the county CPC Committee. The chief responsible comrade of the county CPC Committee then said that they would resolutely carry out this instruction and handle the case seriously. The following day the county CPC Committee held an enlarged Standing Committee meeting to restudy the central Document No 1 and make an examination of their work accordingly. Then a deputy secretary and a deputy magistrate of the county were assigned to the work of assisting the comrades sent by the provincial CPC Committee in investigating and handling the case. After that, three meetings were held one after the other by the county CPC Committee to listen to the investigation reports and to acquire a better understanding of the party's policies. The county CPC Committee held that the ramie-impounding incident reflected that they had not gained a good understanding of the spirit of the central Document No 1 and that there were still leftist influences in their minds.

As a result of rigid management, there had appeared such phenomena as contending for profits between workers and peasants, between cities and countryside, and between officials and civilians. Moreover, bureaucratism still existed in the county CPC Committee. So the problem was not solved in good time.

After raising the level of consciousness and unifying their thinking, the Yangxin County CPC Committee decided to deal with the matter seriously in the spirit of party rectification and to take this incident as an important example in carrying out education on the party's policies among the broad masses of party members and cadres during the period of simultaneous rectification and correction of defects so that all problems like this can be solved as soon as possible. Meanwhile, in accordance with the spirit of the central Document No 1, they have conscientiously sorted out relevant documents of the county CPC Committee and government and abolished all those going against the spirit of the central Document No 1. At the same time, all bans on the outflow of ramie from this county have been lifted and a series of policies have been worked out for promoting the production of ramie. They also invited Xu Quoyan and the responsible comrades of Qichun County and the district concerned to Yangxin County to exchange views on this incident. In addition to making an apology, they have returned all the impounded ramie and paid the interest on the loan. Both Xu Quoyan and the comrades from his county are satisfied with the final settlement.

HUBEI CPC URGES IMPLEMENTING DOCUMENTS CORRECTLY

HK311044 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 30 Oct 84

[Text] In a note to the above report, the Party Rectification Office of the Hubei Provincial CPC Committee requires that the party organizations at all levels should conscientiously study and resolutely implement the policies of the CPC Central Committee and gain a deep understanding of their spirit and essence. This is a symbol of whether a local party organization is keeping in political and ideological unity with the CPC Central Committee. In order to implement the principles and policies of the CPC Central Committee better, all localities can work out some concrete measures in light of their realities. But they must not go against the policies of the CPC Central Committee. This is a matter of principle.

Through handling the ramie-impounding incident, the Yangxin County CPC Committee has summed up experiences, weeded out relevant documents, and abolished those that oppose central policies. They have thus protected the sanctity of the party's policies and the interests of the peasants. They have really done an excellent job. It is suggested that all other localities should follow their example and examine their situation in implementing the party's policies so as to resolutely abolish all those so-called Documents No 2, which run counter to the policies of the CPC Central Committee, and to correct all wrong practices that deviate from these policies.

HUNAN ADVISER INTERVIEWED ON ENERGY INDUSTRY

HK010507 Changsha Hunan Provincial Service in Mandarin 1100 GMT 29 Oct 84

[Interview with Comrade (Wen Rui) by a station reporter in Changsha on his appointment as economic adviser to the Hunan Provincial Government -- no date given; recorded]

[Excerpts] Comrade (Wen Rui), adviser to the Guangdong Provincial Society of Nuclear Sciences and adviser to the nuclear power specialist group of the Science and Technology Consultant Service of the China Association for Science and Technology, made a survey trip in Xiangxi Prefecture of our province in mid-October despite the hardships of a long journey. He put forth valuable proposals on the exploitation of energy in Xiangxi Prefecture.

Having learned that our province would hold talks on promoting economic and technological cooperative projects with foreign firms, he came to Changsha to act as an intermediary between our province and Hong Kong and foreign businessmen. Ten contracts were concluded promptly upon his advice. So, the provincial People's Government decided to engage our revered Comrade (Wen) as an economic adviser to the provincial government to him in Xiangjiang guesthouse on the afternoon of 27 October. Our reporter has just interviewed Comrade (Wen Rui) on the spot.

[Begin recording] [Reporter] Our revered Comrade (Wen), we congratulate you upon your appointment as economic adviser to our Hunan provincial government.

[(Wen Rui)] Thank you very much!

[Reporter] Our revered Comrade (Wen), you are both an economist and an energy specialist. Would you like to say something to our listeners about economic construction in our province?

[(Wen Rui)] With rich resources, Hunan has very favorable natural conditions. The weak point of the province lies in energy. To be sure, Hunan is very rich in water resources. Ziang Jiang, Zi Shui, Yuan Jiang, and Li Shui are big rivers with abundant water resources. The fact that all these long rivers flow down from high mountains is advantageous to the development of small-sized hydroelectric power stations. What is the strategic significance of small-sized hydroelectric power stations? Our purpose is to meet the needs of the scattered rural areas and small cities and towns through decentralization. This will enable us to deal with massive demands for energy through centralization, in other words, to build large-sized power stations to meet large cities' and large-scale industry's demand for energy.

Rational division of labor is the best way to cope with this matter. For this reason, it is necessary to consider the construction of nuclear power stations. To solve the problem of energy in the future, we should not only focus on hydroelectric power stations but also uphold the principle of comprehensive exploitation. [end recording]

GUIZHOU HOLDS MEETING ON FIGHTING ECONOMIC CRIME

HK301408 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 29 Oct 84

[Text] The provincial report meeting on fighting economic crimes was held in Quiyang from 22 to 26 October. The meeting summed up the experiences of various places in our province in unfolding the activities of fighting economic crimes and made arrangements for the work of fighting economic crimes.

The meeting demanded: Procuratorial organs at all levels must resolutely implement the decision of the CPC Central Committee on restructuring the economy, must organize the cadres to seriously study and to profoundly understand it, must act as promoters and [words indistinct], must be determined to carry out reform, must boldly bring forth new ideas, and [words indistinct]. Criminals who sabotage reform or take the opportunity of reform to commit economic crimes must be promptly punished, and [words indistinct].

XIZANG CIRCULAR ON SUSPENDED CONSTRUCTION

HK311002 Lhasa Xizang Regional Service in Mandarin 1130 GMT 30 Oct 84

[Report by station correspondent Tan Ruilin]

[Text] On the basis of a financial examination throughout the Military District, the Xizang Military District recently issued a circular stating that a serious examination has been carried out concerning capital construction projects suspended before 1982 by grassroots units due to various reasons. These cases have been dealt with.

The circular has reaffirmed that all units should act according to regulations on capital construction. The Military District CPC Committee has decided that problems should be solved for the Army units on the basis of proceeding from actual conditions and drawing lessons from past experiences so as to lighten their financial burden and to promote the building of the Army. The Military District will provide a fund of more than 8 million yuan from the surplus accumulated over the years, while professional departments will contribute 1.5 million yuan. With these two amounts, which come to almost 10 million yuan, the problems of suspended capital construction projects will be solved.

While solving these problems, the Military District has reaffirmed in the circular that from now on all units must act in accordance with the regulations and requirements of capital construction and strictly implement the procedures and plans for capital construction. Unauthorized projects and the enlargement of scale, under whatever pretext, in whoever's name, and with whatever funds, are strictly forbidden. Building cost should not be raised arbitrarily or exceed the capital construction indices. Financial departments should strengthen their work in financial supervision, and they have the power to stop the allotment of funds to those projects outside the plan or exceeding the budget. From now on, regarding those projects which violate the regulations on capital construction, the leadership concerned and the person in charge will be investigated and affixed responsibility, and they will be seriously dealt with. These regulations and requirements have been seriously implemented in the Army units.

XIZANG PEASANTS ENCOURAGED TO OPEN HOTELS

OW310934 Beijing XINHUA in English 0659 GMT 31 Oct 84

[Text] Lhasa, October 31 (XINHUA) — A hotel run by Tibetan peasants has received 250 guests from a dozen countries since it opened in mid-September. The 60-room, 200-bed hotel is in Lhasa's downtown area. The 760,000-yuan project was built by peasants of a vegetable-growing commune on the city's outskirts. Tibetans are now encouraged to start hotels collectively or individually to supplement government efforts to boost tourism.

A recent government decision envisages a more varied choice of places where foreign tourists can stay -- in government-run guest houses, collectively-owned hotels or in rooming houses. Lhasa received 6,000 foreign tourists between 1979 and 1983, six times the figure for the 29 years from 1949 to 1978.

YUNNAN INVESTIGATES INTELLECTUALS POLICY RESULTS

HK311013 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 30 Oct 84

[Text] The provincial CPC Committee in a few days will again send investigation groups to various prefectures and cities to inspect the results of implementing the policy toward intellectuals. They will accomplish the following five tasks in their mission:

1. They will continue to provide in-depth and extensive education on the party's policy toward intellectuals to further enhance the understanding of the party cadres, leading cadres at all levels in particular, of the importance and urgency of implementing the party policy toward intellectuals. To avoid the previous defects of empty discussion without solving practical problems, while commanding those units which have done well in implementing policy toward the intellectuals, the investigation groups will severely punish those units which are slow in implementing the policy, refuse to mend their ways despite repeated admonitions, or even comply in public but oppose in private. Disciplinary measures will be taken against them when necessary.
2. They will continue to eliminate leftist influences, get rid of various interferences, overcome factionalism, strengthen the party spirit and truly solve the difficulties of intellectuals in joining the party. Active measures must be taken to admit those qualified intellectuals into the party.
3. They will heed the opinions expressed by various quarters to improve the living and working conditions of intellectuals.
4. While sticking to the principle of planned work assignments, various channels should be opened up in order to promote the rational flow of talented personnel. In so doing, the situation of imbalanced distribution of scientific and technical personnel, and failing to make full use of and wasting talented personnel in our province will be changed.
5. By the end of this year, various CPC committees must conscientiously implement the policies for intellectuals worked out by the central authorities, the State Council, provincial CPC Committee and provincial government. If some of them are unable to implement the policies concerned due to certain special reasons, they should report the matter to the provincial authorities and explain their reasons. The leaders of those units which fail to implement the policies and report the matter to the provincial authorities must be held accountable for this.

Apart from sending investigation groups to various units, the provincial CPC Committee has also demanded that various prefectures and cities and other provincial departments and bureaus which have subordinate grass-roots units under them also send investigation groups to units concerned in order to investigate and supervise from top to bottom the work of implementing the policy toward intellectuals.

Progress on Policy

HK311415 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 30 Oct 84

[Text] Since the 3d Plenary Session of the 11th CPG Central Committee, our province has made healthy progress in implemeting the policy toward intellectuals, and has made marked achievements in the respect. These achievements mainly manifest themselves in the following:

1. False charges, wrong sentences, and frame-ups of intellectuals have been basically redressed and righted.
2. About 11, 922 scientific and technical cadres have been admitted into the party.
3. About 5,190 scientific and technical personnel, who are formerly engaged in occupations not related to their training, have now been transferred to suitable posts. In addition, 1,428 scientific and technical personnel have been reassigned to occupations related to their speciality.
4. By the end of September 1983, appropriate technical and professional titles were conferred on 118,200 scientific and technical personnel.
5. The whole province has adopted various means and forms to train various kinds of scientific and technical personnel in multichanneled and multilayered ways. The provincial government has allocated a sum of 1.3 million yuan to establish in (Nongdao) the first provincial training center for training agrotechnical cadres of middle rank and above.
6. The working and living condition of scientific and technical personnel have been gradually improved. A number of offices and living quarters have been build. We have also procured additional instruments, equipment, books and reference materials, and safety equipment and protective gear. Assistants have been provided for some experts. With regard to those intellectuals with material difficulties who have made great contributions, temporary extra allowance for living expenses has been given to them. The problem of a large number of scientific and technical personnel who lived in two separate places with their spouses has now been solved. Priority has been given to help 3,570 key scientific and technical personnel transfer their family members from the rural areas to cities and town.
7. The number of scientific and technical personnel leaving the province has been reduced year by year.
8. In the process of structural reform, a great number of intellectuals, who have both ability and political intergrity, have been promoted to leading posts at various levels in accordance with the requirements of the four transformations of the cadre corps.
9. The provincial CPC Committee and People's Government have recently made temporary provisions on improving living conditions of intellectuals.

All these effective measures have played an active role in improving living condition of intellectuals and key professional technical personnel in the outlying districts of our province, stabilizing the intellectual corps of our province, and promoting the rational flow of talented personnel.

COMMENTATOR VIEWS HEILONGJIANG GRAIN PROCESSING

SK300727 Harbin HEILONGJIANG RIBAO in Chinese 13 Oct 84 p 1

[Commentator's article: "A Good Job Should Be Done in Turning Grain Into Other Commodities"]

[Excerpts] The change of turning grain shortage into surplus has indeed come fast in the province. This is a new situation and issue currently faced by the rural workers. Their current task is to readjust their ideology and work suitable to the changed objective situation.

For a long time we always suffered from grain shortages. Units from top to bottom as well as various industries and trades have concentrated on increasing grain output. At that time, we racked our brains and devoted ourselves to pushing grain production and showed some concern for other aspects. In particular, we never gave consideration to the issues which could be dealt with after obtaining grain surplus. Our present circumstances are different and we have actually achieved a grain surplus. The province's 1983 annual grain output surpassed 30 billion jin thanks to enforcing the output-related system of contracted responsibilities among rural households. However, it only procured 12.5 billion jin of marketable grain from the peasants and sold 8 billion jin of them. The 1984 total grain output is expected to reach 35 billion jin or even more. Under such circumstances, marketable grain sold by peasants will reach more than 16 billion jin. After deducting the grain to be consumed in the province, the 1985 grain surplus will still reach 10 billion jin. Judging from the grain sale of 1983, the figures was 7.7 percent lower than that of 1982. The current announcement on procuring as much grain as peasants can sell and on enforcing the policy "that the people may store grain for the state" within the limit of their granaries' capacity represents an emergency measure to safeguard peasants' enthusiasm and win the people's confidence. To fundamentally deal with this problem, we must do a good job in turning grain into other commodities.

Vigorously developing animal husbandry in order to turn grain into meat, eggs, and milk is an important outlet to deal with the grain problem of our province. At present, the provincial total output value of animal husbandry only amounts to 12.2 percent of that of agriculture. The per capita consumption of pork, beef, and mutton only reaches 18.5 jin and that of eggs, 11 jin and 9 liang. Such a consumption level can neither catch up with that of developed countries, nor be in lower rank in the country. In order to ensure full supply, the province must import 670,000 tons of pork from outside provinces. Now, an extremely favorable opportunity to improve this situation is given to us.

To develop animal husbandry, we must speed up the pace of processing grain into feed. The shortage of feed was the biggest obstacle to the slow development of animal husbandry in the past. The difference between the situation of the past and the present is that in the past, we were unable to develop feed due to the grain shortage, but now we are facing the issue of how to develop feed production rapidly and successfully.

In developing the food industry, we should vigorously extend production. Turning grain into other commodities also has great potential. At present, the total output value of the food industry of advanced industrial countries surpasses that of their agricultural industry by 1 or 2 times. The province's 1983 total output value of food-stuff industry only amounted to 35 percent of that of agricultural industry. Meanwhile, most food industries are located in urban areas and food industries in rural areas are very few. Such a situation cannot meet the need of escalating consumption level of the people of both urban and rural areas.

At present, efforts should be made to vigorously develop foodstuff industry among rural townships and towns, to encourage peasants to open various food workshops, and to have urban food industries expand their production in rural areas in order to turn a considerable amount of grain retained by peasants and part of urban people's grain ration into foodstuffs.

All in all, only by readjusting our ideology suitable to the changed objective situation as soon as possible can we create a measure to do a good job in turning grain into other commodities and to steadily maintain the excellent situation in rural areas.

LIAONING'S YINGKOU HARBOR TO OPEN TO FOREIGN SHIPS

SK010337 Shenyang LIAONING RIBAO in Chinese 13 Oct 84 p 1

[Excerpts] On 11 October, the provincial government sent a work team to pass on to Yingkou City the State Council's approval of opening Yingkou Harbor to foreign shipping. The city government and departments concerned were waiting with full confidence for the first foreign ship to enter.

Yingkou Harbor is an old harbor with 120 years of navigation history. Since 1980 when the State Council approved domestic vessels to engage in foreign trade, Yingkou Harbor has improved its economic results every year and played a fairly important role in developing the province's foreign trade. Opening Yingkou Harbor to foreign ships is an important measure for implementing the provincial CPC Committee and government's strategic policy decision of "taking Dalian as a forward position surrounded by Jinzhou, Dandong, and Yingkou" aiming at revitalizing Liaoning's economy and expediting the four modernizations.

Since last July, the Yingkou City People's Government, Yingkou Port Administration Office, as well as customs, commercial inspection, border defense, and other organs stationed in Dalian and Yingkou have worked closely to step up the preparation for opening to foreign ships. The city government established a port office to coordinate the activities of the departments having to do with foreign affairs. The port administration office built two large storehouses and a high-standard 40,000 square-meter cargo yard, and bought several loading machines. Customs, commercial inspection, quarantine, border defense, foreign agencies, water diversion, and ship inspection departments have been established and started their initial work. Proper arrangements have also been made for fuel and water supply, shops, hospitals, restaurants, seamen's clubs, and other services.

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GANSU COUNTY SETS EXAMPLE IN PARTY WORK STYLE

HK010404 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 30 Oct 84

[Text] The Gansu Provincial Discipline Inspection Commission recently issued a notice on propagating the experiences of Gaotai County in bringing about a remarkable turn for the better in party work style.

In recent years, the Gaotai County CPC Committee and county Discipline Inspection Commission have taken a firm grasp on building party work style and discipline, which have undergone a remarkable turn for the better, and brought about improvement in all fields of work. Their chief practices and experiences are: persisting in setting up an example on the part of the leading bodies themselves, with the leadership at all levels taking the lead in correcting unhealthy tendencies and taking responsibility for making all-round plans to strictly implement the responsibility system in grasping party work and education in strengthening party spirit, party work style, and discipline.

The provincial Discipline Inspection Commission's notice points out: The experience of Gaotai County CPC Committee and Discipline Inspection Commission in grasping work on changing party work style are of universal significance. It is required that all localities and departments should, based on their actual conditions, draw on the experiences of Gaotai, strengthen their leadership, and do a good job in grasping the implementation of the responsibility system in realizing a marked turn for the better in party work style.

The notice also stresses that in reference to the decision on the economic structural reform adopted by the 3d Plenary Session of the 12th CPC Central Committee, the discipline inspection departments at all levels should organize their cadres to study it earnestly and gain a profound grasp of it, so as to strengthen their work and to ensure the smooth progress of structural reform. In the practice of structural reform, they should make investigations and accumulate new experiences concerning work in grasping the party work style, so as to further strengthen the building of party work style and discipline and to strive for their fundamental turn for the better.

SHAANXI PEOPLE'S CONGRESS STUDIES CPC DECISION

HK311022 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 30 Oct 84

[Excerpts] The ninth session of the sixth Standing Committee of the provincial People's Congress ended yesterday afternoon. Participants in the meeting conscientiously studied the communique of the 3d Plenary Session of the 12th CPC Central Committee and the decision of the CPC Central Committee on reform of the economic structure and held lively discussions on them.

Li Lianbi, vice chairman of the provincial People's Congress Standing Committee, delivered a speech at the closing ceremony. He stressed the need to intensively study the communique and decision. He said that the conscientious study of the decision will enable us not only to correctly understand the series of principles and policies formulated in the document, but to acquire a deep scientific understanding of socialism after restudying scientific socialism and Marxist political economics. According to the arrangements made by the CPC Central Committee and the provincial CPC Committee, we should concentrate effort and time on the study of these documents and integrate the study with our practical work of reform through thorough investigations of the situation in reform.

Present at the meeting were Vice Chairman of the provincial People's Congress Standing Committee Dong Xueyuan, Chen Ming, Tan Weixu, Hou Zonglian, Yuan Zhengting, Yu Ming, Xiong Yingdong, Liu Lizhen, and He Chenghua.

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Those who attended the meeting as nonvoting delegates included Lin Jizhou, vice governor of the province, comrades in charge of the provincial Higher People's Court, the provincial People's Procuratorate, departments concerned at the provincial level, and responsible persons of people's congresses standing committees of cities under the authority of the province, of liaison groups for work of local people's congresses, and of some people's congresses standing committees at the county, city and district levels.

XINJIANG: STATE COUNCIL REINSTATES ILI PREFECTURE

HK301215 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 28 Oct 84

[Text] Approved by the State Council, our region has decided to reestablish Ili Prefecture. Yining City, Yining County, Nilka County, Xinyuan County, Gongliu County, Tekes County, Zhaosu County, Huocheng County, and Qapqal Xibe Autonomous County, which were originally under the direct jurisdiction of Ili Kazak Autonomous Prefecture, are now assigned to be under the administration of Ili Prefecture. The Commissioner's Office of Ili Prefecture is situated in Yining City.

Ili Kazak Autonomous Prefecture administers Ili Prefecture, Tacheng Prefecture, Altay Prefecture, and Kuyutn City.

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